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PUBLIC UTILITIES COMMISSION
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TO PARTIES OF RECORD IN RULEMAKING 25-11-005:

This is the proposed decision of President John Reynolds. 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 September 17, 2026, 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/ MICHELLE COOKE
Michelle Cooke
Chief Administrative Law Judge

MLC: cg7
Attachment

Decision **PROPOSED DECISION OF PRESIDENT JOHN REYNOLDS**
(Mailed 09/04/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Update the California LifeLine Program.	Rulemaking 25-11-005

DECISION ESTABLISHING SPECIFIC SUPPORT AMOUNTS AND MINIMUM SERVICE STANDARDS AND REVISING GENERAL ORDER 153-A

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DECISION ESTABLISHING SPECIFIC SUPPORT AMOUNTS AND MINIMUM SERVICE STANDARDS AND REVISING GENERAL ORDER 153-A

Summary

This decision adopts new specific support amounts and minimum service standards applicable to the California Universal Telephone Service Program (the Program). This decision also modifies the terms of the Program's non-usage rule and the wireless activation/connection and conversion charge reimbursement amount. Lastly, General Order 153-A is updated to reflect these changes.

This proceeding remains open.

1. Background

The California Universal Telephone Service Program (California LifeLine or the Program) offers wireless, fixed Voice over Internet Protocol (VoIP) and wireline service providers a subsidy reimbursement, or specific support amount (SSA) for offering qualifying telecommunications service plans that meet minimum service standards (MSS). The subsidy is funded by a surcharge on all access lines in California[1]. Service providers may also receive a subsidy from the federal Lifeline program if they are Eligible Telecommunications Carriers and comply with federal law and rules set by the Federal Communications Commission (FCC) and if they serve customers enrolled in federal Lifeline.

The Commission's SSA methodology sets the maximum SSA at 55 percent of the highest basic rate of the California Carriers of Last Resort (COLRs) for the

[1] The Commission defines "access line" as a "wire or wireless connection that provides a real-time two-way voice telecommunications service or VoIP service to or from any device utilized by an end user, regardless of technology, which is associated with a 10-digit NPA-NXX number or other unique identified and a service address or Place of Primary Use in California." (D.22-10-021 at 52.)

prior year.[2] The methodology aligns with the requirement in Public Utilities Code (Pub. Util. Code) Section 874 that California LifeLine participants' rates must not exceed 50 percent of the rates for basic flat service. This COLR-based SSA is applicable to wireless, fixed VoIP and wireline California LifeLine services. The Commission reviews the SSA annually.

AT&T's basic service rate has dictated the SSA for some time. In Decision (D.) 24-12-006, the Commission noted that AT&T has had the highest basic rate of the COLRs for a decade — increasing from $23.00 in 2014 to $34.50 in 2024, without a corresponding increase in service offerings.[3] Effective January 1, 2026, AT&T increased its basic service rate to $50.00 in most exchanges, again, without a corresponding increase in service offerings.[4] For comparison, another California COLR, Frontier California, prices its flat rate basic service at $25.00 per month.[5]

The wireless MSS has not changed since 2020 and has failed to keep pace with the increases in the COLR-based SSA. Table 1, below, illustrates the annual SSA over time, assuming it remains tied to AT&T's basic service rate.

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[2] Decision (D.) 10-11-033 at Ordering Paragraph (OP) 6; *see also* General Order (G.O.) 153-A §8.5.1.

[3] D.24-12-006 at 2-3, *citing* CPUC Communications Division Staff, Staff Proposal on LifeLine specific Support Amount and Minimum Service Standards at 4 (Oct. 30, 2023).

[4] AT&T California Advice Letter 50170 (Dec. 18, 2025).

[5] Frontier California Advice Letter 12934 (Jul. 16, 2024).

Table 1: SSA and Wireless MSS, 2019-2027

	2019	2020	2021	2022	2023	2024	2025*	2026*	2027*
CA LifeLine SSA	$14.85	$14.85	$14.85	$16.23	$17.90	$19.00	$20.65	$23.35	$27.50
SSA Annual Increase		0%	0%	9.3%	10.3%	6.2%	8.7%	13.1%	17.8%
MSS	4.5 GB	6 GB	6 GB	6 GB	6 GB	6 GB	6 GB	6 GB	6 GB
MSS if Tied to SSA**				6.5 GB	7 GB	7.5 GB	8 GB	9 GB	10.5 GB
*What the SSA would be/would have been had the Commission not frozen the SSA in D.24-12-006. **Rounded to the nearest half gigabyte (GB).									

In the previous LifeLine rulemaking, (R.) 20-02-008, the Commission considered a staff proposal that recommended delinking the SSA from the highest COLR basic service rate and tying the SSA to service offerings. While there was general support or lack of opposition amongst parties in that proceeding for delinking the SSA from the highest COLR basic service rate, several providers raised concerns. They recommended that the Commission further consider market conditions, LifeLine participant impacts, current pilot programs, and regulatory changes at both the state and federal levels before changing the SSA.[6]

Thus, in D.24-12-006, the Commission adopted a temporary freeze on the LifeLine SSA to afford the Commission time to further consider updates to the SSA methodology. The Commission adopted a freeze that would last from January 1, 2025, through December 31, 2026, or until the Commission adopted a new SSA methodology, whichever came first.[7] R.20-02-008 closed before it could

[6] D.24-12-006 at 4.

[7] D.24-12-006 at Finding of Fact (FOF) 8 and OP 1.

resolve this issue, and deferred the development of a new methodology for updating the LifeLine SSA/MSS framework to this proceeding.

1.1. 2025 SSA/MSS Staff Proposal

On November 20, 2025, the Commission opened this proceeding, R.25-11-005, to consider additional changes to the California LifeLine Program. The Commission attached to the Order Instituting Rulemaking (OIR) a new staff proposal (2025 Staff Proposal) that again proposed new wireless and wireline SSA/MSS frameworks that would delink the SSA from the highest COLR basic service rate.[8]

On the same date that the Commission adopted the OIR and issued the 2025 Staff Proposal, the FCC released an order (FCC Order) which revoked the exemption that enabled California to opt out of the use of the National Lifeline Accountability Database (NLAD) for the federal Lifeline program. The FCC Order also adjusted the federal Lifeline National Eligibility Verifier (National Verifier) processes in California to end the use of state eligibility results for enrollment in federal Lifeline.[9]

In comments responding to the OIR and the 2025 Staff Proposal, many parties noted that the revocation of California's ability to make federal Lifeline eligibility determinations means that applicants will now be required to undergo two separate application processes to enroll in and receive service discounts from

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[8] Rulemaking (R.) 25-11-005, Order Instituting Rulemaking (OIR) to Update the California LifeLine Program, Appendix B, *Staff Proposal on LifeLine Specific Support Amount and Minimum Service Standards* at 1 (2025 Staff Proposal).

[9] In the Matter of Lifeline and Link Up Reform and Modernization at ¶ 1, WC Docket No. 11-42, DA 25-965 (Nov. 20, 2025), *available at* https://docs.fcc.gov/public/attachments/DA-25-965A1.pdf (FCC Order).

both Lifeline programs. The additional application burdens could lead to fewer applicants enrolling in both programs.[10]

A decrease in the number of California LifeLine subscribers that are also subscribed to federal Lifeline impacts our analysis of the appropriate SSA/MSS framework. Providers are required to provide service that meets the California LifeLine MSS regardless of whether their subscribers are also enrolled in federal Lifeline. However, previously, 98 percent of California LifeLine customers were also enrolled in federal Lifeline. Thus, the California SSA calculation has historically assumed providers would also receive federal Lifeline subsidies. If fewer California LifeLine subscribers enroll in federal Lifeline, this impacts the total subsidy amount providers can expect to receive.

1.2. Procedural Background

This OIR, which attached the 2025 Staff Proposal, was initiated on November 20, 2025. Parties filed opening comments responding to the 2025 Staff Proposal on January 9, 2026.[11] Parties filed reply comments responding to the

[10] *See e.g.*, Opening Comments of Verizon Value, Inc. (Verizon) on Administrative Law Judge's Ruling Requesting Comments on Impacts on California LifeLine Program Resulting from Changes to Federal Policy and Permanent Disaster Relief Measures at 8-9 (hereinafter Verizon Opening Comments on March Ruling) *See also* AirVoice Wireless, LLC and TAG Mobile, LLC (jointly, AirVoice), Opening Comments on the March Ruling at 3.

[11] The Public Advocates Office at the California Public Utilities Commission (Cal Advocates), AirVoice, CTIA, Verizon, Calaveras Telephone Company, Cal Ore Telephone Co., Ducor Telephone Company, Foresthill Telephone Co., Kerman Telephone Co., Pinnacles Telephone Co., The Ponderosa Telephone Co., Sierra Telephone Company, Inc., The Siskiyou Telephone Company, and Volcano Telephone Company, (collectively, the Independent Small LECs) Center for Accessible Technology (CforAT), California Broadband & Video Association (CalBroadband), The National Lifeline Association (NaLA) and its participating members in California (Boomerang Wireless, LLC, AmeriMex Communications Corp. dba SafetyNet Wireless, American Broadband & Telecommunications Company, i-wireless, LLC and TruConnect Communications, Inc., collectively NaLA), The Utility Reform Network (TURN), Pacific Bell Telephone Company dba AT&T California (AT&T), and Assurance Wireless USA, L.P. dba Assurance (Assurance) filed opening comments responding to the 2025 Staff Report.

2025 Staff Proposal on February 9, 2026.[12] Parties filed opening comments on the OIR on January 26, 2026,[13] and reply comments on February 26, 2026.[14]

The assigned administrative law judge (ALJ) issued a ruling requesting comment on impacts to the Program stemming from the FCC Order (March Ruling). Parties filed opening comments responding to this ruling on April 14, 2026.[15] Parties filed reply comments on April 21, 2026.[16] The assigned ALJ issued a ruling requesting additional comments on the 2025 Staff Proposal on May 4, 2026 (May Ruling). Parties filed opening[17] and reply comments[18] on May 26 and June 5, 2026, respectively.

1.3. Submission Date

This matter was submitted on June 5, 2026, upon the filing of reply comments on the May Ruling.

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[12] TURN, NaLA, CforAT, Assurance, AT&T, Verizon, CTIA and the Independent Small LECs filed reply comments responding to the 2025 Staff Report.

[13] CalBroadband, Cal Advocates, the Independent Small LECs, TURN, Neighborhood Legal Services of Los Angeles County (NLSLA), CforAT, Verizon, NaLA, Assurance, and Ameelio, Inc. (Ameelio) filed opening comments responding to the OIR.

[14] NaLA, CalBroadband, AT&T, TURN, CforAT, CTIA, the Independent Small LECs, and Verizon filed reply comments on the OIR.

[15] Verizon, CTIA, Assurance, CforAT, NaLA, TURN, Cal Advocates, AT&T, AirVoice, the Independent Small LECs joined with Winterhaven Telephone Company, Happy Valley Telephone Company and Hornitos Telephone Company (jointly, the Small LECs) filed opening comments responding to the March Ruling.

[16] Assurance, Verizon, CforAT, the Small LECs, CTIA, TURN, NaLA, and AT&T filed reply comments responding to the March Ruling.

[17] Cal Advocates, CforAT, the Small LECs, AT&T collectively with AT&T Enterprises, LLC, and AT&T Mobility Wireless Operations Holdings Inc., New Cingular Wireless Pcs, LLC, and Santa Barbara Cellular Systems, Ltd., all doing business as AT&T Mobility, and Cricket Wireless LLC (collectivelly, AT&T), Assurance, EchoStar, NaLA, Verizon, and TURN filed opening comments on the May Ruling.

[18] CTIA, TURN, CforAT, the Small LECs, AT&T, and Verizon filed reply comments responding to the May Ruling.

2. Issues Before the Commission

The issues decided by the Commission in the instant decision are:

1. Should the Commission modify the Program's SSA and/or MSS to support policy goals, including better addressing the evolving communications needs of low-income Californians, improving affordability, maintaining program integrity, and preventing waste, and if so, how?
2. Should the Commission adopt changes to General Order (G.O.) 153-A to reflect changes made through decisions issued in this proceeding, to reflect changes made in prior proceedings that have not been captured in prior updates, and to incorporate changes in technology, legislation, policies, and other developments?[19]

3. Discussion and Analysis

The Commission modifies the California LifeLine wireline and wireless SSA and MSS as described herein. We modify the non-usage rule and activation and connection fees reimbursement as proposed in the 2025 Staff Proposal.

3.1. Modification of the Specific Support Amount and Minimum Service Standards for Wireless Services

We revise the wireless SSA/MSS framework to delink the wireless SSA from COLR basic service rates, to ensure that LifeLine rates and the LifeLine surcharge remain just and reasonable. We adopt a three-tier wireless SSA/MSS framework. The Standard/Tier 2 plan MSS is based on average usage as presented in the 2024 FCC Marketplace Report,[20] to ensure LifeLine services

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[19] While this decision updates G.O. 153-A to reflect the modifications made in response to Issue 1, the Commission intends to make additional changes to G.O. 153-A throughout this rulemaking, as needed, to reflect changes made through forthcoming decisions, to reflect changes made in prior proceedings that have not been captured in prior updates, and to incorporate changes in technology, legislation, policies, and other developments.

[20] *See In the Matter of Communications Marketplace Report*, GN Docket No. 24-119, FCC 24-136 (Dec. 31, 2024), *available at* https://docs.fcc.gov/public/attachments/FCC-24-136A1.pdf.

continue to provide a minimum level of communications service access necessary to participate in modern life. We adopt a corresponding SSA that reflects wireless retail rates, the impacts of associated portability freezes, and Commission policy goals. Associated limited portability freezes are anticipated to reduce customer churn and provider costs, and could reduce Program costs and waste, fraud, and abuse. Providers may only charge customers a copay for plans that exceed the Tier 3 MSS and are obligated to provide all three required service tiers, ensuring availability of LifeLine plans that guarantee a minimum level of communications services. Table 2 provides the current wireless SSA/MSS framework, showing the Standard plan SSA based on the highest COLR basic rate.

Table 2: Current Wireless California LifeLine SSA/MSS Framework[21]

Tier	**Plan**	**CA SSA**	**Max Federal Subsidy[22]**	**Voice & Text Allotment**	**Data Allowance**	**Total**
1	Basic	$12.85	$9.25	Unlimited	4.5 GB	$22.10
2	Standard	$19.00	$9.25	Unlimited	6 GB	$28.25
3	Family	$19.00	$9.25	Unlimited	6 GB	$28.25

3.1.1. 2025 Staff Proposal

In the 2025 Staff Proposal, staff proposed delinking the wireless SSA from the COLR-based SSA. Staff proposed first setting a Standard-tier MSS based on the average monthly usage per subscriber in 2023 provided in the FCC's 2024

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[21] *See* G.O. 153-A at Appendix A-2 (providing wireless MSS of 4.5 GB and 6 GB) and at Appendix C (providing wireless SSAs).

[22] *See* FCC Public Notice, Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount, WC Docket No. 11-42 (July 14, 2025), *available at* https://docs.fcc.gov/public/attachments/DA-25-619A1_Rcd.pdf. *See also* 47 C.F.R. § 54.403(a)(1) (setting a $9.25 federal subsidy amount for qualifying Lifeline plans).

Marketplace Report - 15 GB.[23] Staff proposed linking the MSS to an SSA based on a "review[] [of] different types of data related to service provider service plans, including data from market studies, the affordability ratio metric,[24] and CA LifeLine."[25] Staff provided rate data for certain wireless service plans offered in the retail market as of May 1, 2025, and June 20, 2025. Staff averaged the retail rates of certain wireless providers' plans in different data offering groups. The resulting average rates are near the proposed SSA amounts for plans offering similar data allotments.[26]

Table 3: Staff's Proposed Set Price Wireless SSA/MSS Framework

Tier	Data Allotment	Hotspot Allotment	SSA	Maximum Copay	Additional per GB	Total (No Additional Data)	Total With Federal Subsidy
1 (Basic)	6 GB	N/A	$13.00	$0.00	$3.19	$13.00	$22.25
2 (Standard)	15 GB	N/A	$19.00	$0.00	$2.77	$19.00	$28.25
3 (Family)	15 GB	N/A	$19.00	$0.00	$2.77	$19.00	$28.25
4	25 GB	10 GB	$20.00	$5.00	$1.50	$25.00	$34.25
5	40 GB	20 GB	$20.00	$10.00	$0.56	$30.00	$39.25

Staff also included in the 2025 Staff Proposal a review of other states' Lifeline service support amounts, concluding that California offers the highest SSA in the country. Staff noted "that the average data allowance across the states

[23] 2025 Staff Proposal at 16, *citing* FCC 2024 Communications Marketplace Report at 55, which shows a 15.5 GB per subscriber per month average in 2023.

[24] Staff's affordability analysis assessed copay (out of pocket charge) affordability in certain regions in Los Angeles County using the Commission's affordability ratio framework. Staff concluded that even a $5.00 copayment for a communications service plan is unaffordable in the areas reviewed, highlighting the need for a $0 copayment option for these households. 2025 Staff Proposal at 13.

[25] 2025 Staff Proposal at 8.

[26] For example, staff derived a $31.00 average rate from its survey of retail plans offering 15 to 17 GB of data. The proposed SSA for staff's proposed Standard plan, offering 15 GB, is $19.00, which, when added to the federal SSA, would total a $28.25 reimbursement for the provider.

[that offered support on top of federal Lifeline support] meets the FCC MSS at 4.5 GB, while California provides 6 GB and Oregon offers unlimited data."[27]

3.1.2. Party Positions

In general, parties are divided on whether they support the 2025 Staff Proposal's wireless SSA/MSS framework. Many commenters support basing wireless SSAs on a retail rate analysis, but they disagree with the retail rate analysis staff performed. For example, Verizon states that staff's retail rate analysis is out of date.[28] Verizon proposed an SSA/MSS framework it states uses the same plans as those surveyed for the 2025 Staff Proposal, updated to May 2026.[29] Verizon's proposal is discussed further below. NaLA agrees that staff's marketplace analysis is out of date and states that it includes irrelevant plans.[30]

NaLA also states that the proposed SSA/MSS framework assumes providers will receive federal subsidies, and so does not reflect the potential decrease in federal Lifeline subscribers due to the FCC Order.[31] Other providers note that the methodology linking staff's retail analysis with its proposed SSAs is unclear.[32] AirVoice states that using retail prepaid rates to set the SSA

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[27] 2025 Staff Proposal at 11.

[28] Verizon Opening Comments on the 2025 Staff Proposal at 5.

[29] Verizon Opening Comments on the May Ruling at 9-10. Verizon states that its resurvey "is from the same sources used in the Staff Report." However, Verizon's survey omits the plans from Tello. Incorporating Tello plan rates as of July 9, 2026, decreases average rates in the 8-10 GB, 20 GB, and unlimited GB plan groups. *See* Attachment 2. *See also* https://tello.com/buy/custom_plans, last visited July 9, 2026.

[30] NaLA Opening Comments on the 2025 Staff Proposal at 10. NaLA also argues that it is not necessary to set an MSS and doing so would in fact harm competition. *Id.* at 5.

[31] NaLA Opening Comments on the 2025 Staff Proposal at 7.

[32] *See e.g.,* Assurance Reply Comments on the 2025 Staff Proposal at 2.

underestimates the cost of providing LifeLine service, for which reimbursement is not guaranteed and for which AirVoice provides free devices.[33]

TURN supports the 2025 Staff Proposal's framework and argues that LifeLine plan rates as well as prepaid and postpaid rates should be surveyed. TURN advocates for use of post-paid plans in the analysis because "Lifeline is not and should not be thought of as a second-class service for 'second-class' consumers[,]" and states that only by using postpaid plans in the analysis can the Commission ensure LifeLine "beats the market."[34] CforAT also states that in the absence of cost of service or state-by-state pricing data, CforAT does not oppose adoption of the 2025 Staff Proposal.[35]

Finally, parties disagree over the appropriate data upon which to base the MSS. CforAT states that average industrywide wireless data consumption is necessary to evaluate the amount of data that wireless customers use when not limited to low data caps.[36] CTIA notes that the FCC attempted to use industry averages to set MSS levels, but found the first adjustment based on their rule would have significantly raised the MSS with no adjustment to the federal support, raising affordability concerns.[37]

Verizon proposes a three-tier SSA/MSS framework that it states is based on a May 2026 "resurvey" of the plans staff surveyed for the 2025 Staff

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[33] AirVoice Opening Comments on the Staff Proposal at 2-4. *See also* CTIA Reply Comments on the Staff Proposal at 4, concurring.

[34] TURN Opening Comments on the May Ruling at 3-4. TURN argues that the surveyed retail rates should represent a ceiling on the SSA, as CA LifeLine is a "guaranteed payer." TURN Opening Comments on the 2025 Staff Proposal at 3-4.

[35] CforAT Opening Comments on the May Ruling at 2.

[36] CforAT Opening Comments on the May Ruling at 3. *See also* NaLA Reply Comments on the May Ruling at 8

[37] CTIA Opening Comments on the May Ruling at 9.

Proposal.[38] Verizon's proposal incorporates portability freezes, which would prevent customers from switching service providers for certain periods of time after enrolling with a new provider.[39] Verizon states that because portability freezes decrease customer churn, providers will be incentivized to offer additional plans with more data and customers will be less likely to be transferred without their consent.[40] A 24-hour portability freeze currently applies to all LifeLine plans.[41] Verizon states that its proposal does not incorporate customer usage data into the MSS, as surveying such data may create an inaccurate reflection of customers' actual usage and need, given that capped data users may ration data use, and usage data does not account for when customers are connected to Wi-Fi.[42]

NaLA opposes Verizon's proposal, stating that Verizon's retail survey does not support Verizon's "generous proposal" and that the proposed SSA/MSS requirements could only be met by Verizon and Assurance, driving away competition from non-facilities based providers.[43]

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[38] While Verizon states that its resurvey "is from the same sources used in the Staff Report[,]" Verizon's survey omits plans from Tello. Incorporating Tello plan rates as of July 9, 2026, decreases average rates in the 8-10 GB, 20 GB, and unlimited GB plan groups. Verizon, Opening Comments on the May Ruling at Attachment A. *See* Attachment 2. *See also* https://tello.com/buy/custom_plans, last visited July 9, 2026.

[39] Verizon recommends that port freezes be subject to the same exceptions that applied to previous port freezes. Verizon Opening Comments on the May Ruling at n.14, citing 47 C.F.R. §54.411(c) (2016). *See* Section 3.1, below.

[40] Verizon Opening Comments on the May Ruling at 10-11.

[41] G.O. 153-A at 5.11.

[42] Verizon Opening Comments on the May Ruling at 2-3.

[43] NaLA Reply Comments on May Ruling at 6.

3.1.3. Discussion

We adopt the three-tier wireless SSA/MSS framework proposed by Verizon, with modifications, as shown in Table 4 below. It is reasonable to base the wireless SSA/MSS framework on the wireless retail market, rather than the wireline COLR basic rate framework, which bears no connection to the wireless market. However, the five-tier framework proposed by the 2025 Staff Proposal is complex, particularly when considering the task of assessing copay and extra data charge affordability. Verizon's proposed framework more closely reflects recent retail market rates, and more effectively leverages the federal Lifeline subsidy to benefit consumers. However, we make an adjustment to Tier 3 to better ensure that all eligible low-income Californians have access to the data they may need at an affordable rate. We also incorporate rates from the provider Tello that were included in the 2025 Staff Proposal but omitted from Verizon's retail survey. We agree with TURN that the retail survey upon which LifeLine SSAs should be based should include post-paid plan rates to ensure LifeLine plans "beat the market." Our adopted framework is consistent with our prior finding that retail rates may inform our SSA, but there is no requirement for the Program to maximize provider profits or match the profits they receive for retail plans.[44]

While NaLA argues that Verizon's proposal is not supported by its survey and will price out non facilities-based providers from offering LifeLine, NaLA's comments do not address the impact of the portability freezes on provider costs, nor does NaLA provide cost data or other evidence to support its position.

[44] D.20-10-006 at 10, *citing* TURN's Aug.6, 2020 comments in R.20-02-008.

Table 4: Adopted Wireless SSA/MSS Framework

Tier	Talk/Text	Data*	SSA*	Max Copay	Portability Freeze Period
1	Unlimited	8 GB	$20	$0	24 hours
2	Unlimited	**15 GB**	$20	$0	60 calendar days
3	Unlimited	**20 GB**	$20	$0	90 calendar days
*Subscribers approved for the $9.25 federal Lifeline shall receive an additional 4.5 GB[45]					

Table 5: Verizon's Proposed Wireless SSA/MSS Framework

Tier	Talk/Text	Data*	SSA*	Max Copay	Portability Freeze Period
1	Unlimited	8 GB	$20	$0	24 hours
2	Unlimited	**12 GB**	$20	$0	60 calendar days
3	Unlimited	**15 GB**	$20	$0	90 calendar days
*Subscribers approved for the $9.25 federal Lifeline subsidy shall receive an additional 4.5 GB					

For the Tier 1 Wireless MSS, we adopt Verizon's proposal for unlimited talk, unlimited text, and 8 GB of data. This is a substantial increase over the existing California LifeLine program's entry-level wireless MSS and will provide substantially more data, particularly when combined with federal Lifeline program support.

For the Tier 2 Wireless MSS, we adopt a modified version of Verizon's proposal for unlimited talk, unlimited text, and 15 GB of data. As recommended in the 2025 Staff Proposal, it is reasonable to base a Tier 2 Wireless MSS on average customer usage provided in the 2024 FCC Marketplace Report, rounded to the nearest whole number, here 15 GB. We reject suggestions to forgo establishing an MSS or to set an MSS based on the SSA and retail plans. The first

[45] This requirement to provide 4.5 GB in recognition of the receipt of federal Lifeline subsidies similarly applies to those customers who qualify for federal make-up support.

suggestion fails to satisfy the Commission's obligation to ensure access to a minimum level of communications services and the second unreasonably delegates the responsibility to wireless service providers who create plans for customers to choose from based on considerations including maximizing profit. The nationwide figure developed by the FCC incorporates a wide range of customers who, like LifeLine customers, have access to unlimited as well as capped plans. This is a simple and transparent administrative proxy we have used to inform our MSS in the past.[46] We permit providers to require a 60-day portability freeze for this service tier, subject to the requirements detailed below.

For the Tier 3 Wireless MSS, we adopt a modified version of Verizon's proposal, to allow for unlimited talk, unlimited text, and 20 GB of data. We deviate from Verizon's proposal in adopting a Tier 3 MSS of 20 GB, rather than 15 GB. Fifteen GB represents the recent *average* monthly customer usage, and so we find it reasonable to adopt a Tier 3 that ensures that low income Californians that require more than the average amount of data have access to such data at an affordable rate.[47] Further, Verizon's retail rate survey supports a $20.00 support amount for a 20 GB plan.[48] We permit providers to require a 90-day portability freeze for this service tier, subject to the requirements detailed below.

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[46] *See* D.20-10-006 at 8, noting that the 2018 Marketplace Report reported a 6.6 GB per month average usage per customer in 2018 and estimated that there would be an over 11 GB total in 2020, and *id.* at Attachment 1, adopting a 6 GB Standard plan and 12 GB Upgrade plan for Dec. 2020 - Nov. 2021.

[47] In the 2025 Staff Proposal, Staff performed an affordability analysis of certain parts of Los Angeles County, concluding that, for some households "even with a $5 copayment, a communications plan is unaffordable, highlighting the need for a $0 copayment option for these households." 2025 Staff Proposal at 12.

[48] *See* Attachment 2. Mint Mobile offers a 20 GB plan at $20.00 per month and requires a three month customer commitment.

Providers may offer service plans that substantively exceed the Tier 3 MSS for an additional co-payment if they offer at least one plan that meets the Tier 3 MSS for no copay.[49] Staff should review proposed copay plans to ensure that such plans exceed the MSS required for Tier 3 plans. Providers are still obligated to provide each of the three MSS Tiers for zero-copay and to clearly inform customers about the availability of these plans in their marketing materials. Service providers must file a Tier 2 Advice Letter and updated marketing materials before seeking reimbursement for co-pay plans. This ensures that subscribers are informed of their eligibility for no-cost service plans in Tiers 1, 2, and 3. Staff will confirm that proposed copay plans substantively exceed the Tier 3 plan MSS – for example, plans that purport to offer "unlimited" data, but in actuality throttle customer speeds at lower gigabyte allotments than offered in the zero-copay MSS Tiered plans will be rejected.

Data offered through all three MSS tiers must be at a standard 4G or 5G speed, and permit "tethering," the sharing of a mobile device's cellular internet connection with other devices, such as laptops or tablets. Further, we permit all plans to be Family plans. The previous MSS only permitted Tier 2 plans to be eligible to be converted into Family Plans. Given the higher amount of data being offered, we find it reasonable to allow all service tiers to operate as Family Plans. Family Plan additional lines may not receive a California LifeLine subsidy. The terms and conditions for the access line receiving the LifeLine subsidy, "Family Plan Line 1," are subject to Tier 2 advice letter review. If a participant fails to

[49] We will continue to require providers to offer plans with an MSS that exceeds the Tier 3 MSS, and so permit copays, as "bolt ons," to the plan offering the most data while prohibiting copays, here the Tier 3 plan. *See* D.20-10-006 at COL 15.

make Family Plan co-payments, service providers shall revert the Family Plan Line 1 to a single line plan.

Consistent with Verizon's proposal, we adopt an SSA of $20.00. The SSA for the Tier 2 plan is informed by the average rate for plans offering 15 GB per the Verizon retail survey - $28.75. While the adopted SSA amount, $20.00, is less than the average retail rate for 15 GB plans, many of the retail plans surveyed differ from our LifeLine plans in ways that provide greater customer benefits, justifying higher retail rates than our SSA.[50] Further, industry parties claim that the accompanying portability freeze will reduce churn, reducing costs for providers,[51] likely also reducing Program costs. Finally, the only 15 GB retail plan noted by Verizon as requiring a customer commitment is the Mint Mobile plan, which requires a three month commitment and retails for $15.00 per month. Given our two-month required commitment, we find a $20.00 SSA reasonable for a 15 GB LifeLine plan. Participating providers are required to offer plans in all three tiers.

We acknowledge the reasonableness of Cal Advocates' and CforAT's recommendations that SSAs should be based on provider costs to ensure the efficiency of the Program. However, the Commission does not have sufficient data, related contextual information, or staff resources to develop a cost-based SSA framework at this time. It is important for the Commission to update the SSA/MSS framework in the near term, as the wireless MSS has not kept pace

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[50] For example, Tracfone charges no activation fee for its 20 GB prepaid plan, while the Program will reimburse customers if a provider chooses to charge for activation in some circumstances. Tracfone offers 5G access LifeLine does not require this. Tracfone website, https://www.tracfone.com/plans/30-days-smart-phone-prepaid-plan-03#, last visited July 9, 2026.

[51] Verizon Opening Comments on the May Ruling at 11.

with customer needs. The adopted framework is reasonable because it increases customer benefits without increasing customer costs. Further, it takes into account the impacts of the FCC's Order, and more effectively leverages the federal Lifeline subsidy. Finally, this decision also sets forth a framework to more regularly monitor and make changes to the MSS/SSA.

<u>Portability Freeze:</u>

We do not take lightly the reimposition of lengthy portability freezes. The Commission previously implemented a 60-day portability freeze, unconnected to the SSA. In 2018, however, the Commission reduced the freeze from 60 days to 24 hours to ensure continued receipt of federal funding (after rescindment of the federal Lifeline portability freeze). The Commission also found that the evidence did not show that the freeze improved the Program or, at the time, yielded a decrease in the rate of inter-carrier transfers by Program participants.[52] Here, adoption of the 60- and 90-calendar-day portability freezes, as proposed by Verizon, purportedly benefits the Program because doing so supports adopting SSAs that reimburse providers for plans at a rate less than average retail rates. In addition, our framework is not reliant on receipt of federal funding, and so consistency with the federal rules is less crucial than in the past, though, as noted by Verizon, the FCC recently issued a Notice of Proposed Rulemaking[53] requesting comment on reestablishing a portability freeze for the federal Lifeline program.

We recognize that this is a new SSA/MSS framework and it incorporates portability freezes at lengths we have previously rejected. Therefore, we adopt

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[52] D.18-08-027 at 9.

[53] *Lifeline and Link Up Reform and Modernization et al.,* Notice of Proposed Rulemaking at ¶ 40, WC Docket Nos. 11-42, 17-287, 09-197, 21-450 and 20-445, FCC 26-8 (rel. Feb. 23, 2026).

these portability freezes with various consumer protections in mind, direct staff to report to parties one year from the date of implementation on relevant program metrics and authorize staff to put forward a resolution ending the extended portability freezes at any point should they cause more harm than benefit. Commission staff will monitor Consumer Affairs Branch complaints, complaints received by the Third Party Administrator (TPA), and metrics related to the portability freeze and churn for issues on an ongoing basis. We authorize staff to develop additional rules, requirements and procedures governing portability freezes for consideration by the Commission through a staff resolution to ensure effective implementation and oversight of the portability freeze provisions.

Service providers may, but are not required, to have portability freezes for Tier 2 and Tier 3 plans they offer. Providers are required to obtain affirmative customer consent[54] from subscribers before enrolling them in plans subject to a portability freeze. Providers must also notify subscribers, through the subscriber's preferred communication method, at least seven days before the extended portability freeze expires. These consumer protection measures ensure that subscribers knowingly enroll in a LifeLine plan with an extended portability freeze and receive advance notice of when the portability freeze will end. Providers that elect to provide Tier 2 or Tier 3 plans with a portability freeze must maintain the service level and MSS associated with the subscriber's selected plan for as long as the subscriber remains enrolled in that plan. This obligation remains in effect unless the subscriber transfers service to another provider after

[54] CD Staff shall develop a customer consent form that providers shall use to obtain customer consent before enrolling subscribers in Tier 2 or Tier 3 service plans subject to a portability freeze.

the applicable portability freeze has expired. While the plans that include service portability freezes will prohibit customers from changing LifeLine service providers for limited periods of time, customers are still free to select their initial provider and may change plans with their current provider during the portability freeze period.

Customers who change from one LifeLine plan to another with the same provider should keep the original portability freeze. The freeze expires on the original date regardless of whether the customer upgrades or downgrades between service tiers. Providers cannot restart or extend the portability freeze solely because the customer changes plans with the same provider. This approach minimizes administrative complexity, allows customers to respond to their changing communications needs, and reduces the opportunity for providers to extend portability freezes by selling the customer plans with additional data the customer may not need. With these customer protections in place, at this time, we find that to the extent consumers select plans with portability freezes, such plans provide sufficient customer benefits, *i.e.*, increased data allowances without imposition of copays, to outweigh a temporary pause in customers' ability to change service providers.

Finally, it is reasonable to adopt exemptions from the 60- and 90-calendar-day portability freezes to ensure that subscribers can use the services to which they subscribe. In the following circumstances, subscribers are exempt from the 60- and 90- calendar-day portability freeze, following the initial 24-hour portability freeze applicable to all wireless customers:

- When the subscriber's current provider ceases operations or otherwise fails to provide service;

- When the subscriber's wireless LifeLine benefit was transferred without their consent to the current service provider;
- When the subscriber transfers service to the California LifeLine Home Broadband Pilot; and
- When the subscriber's current provider is found to be in violation of FCC or Commission rules during the portability freeze period and the subscriber is impacted by such violation.

3.2. Annual Review of Wireless Specific Support Amounts and Minimum Service Standards

Pub. Util. Code Section 873 (Section 873) requires the Commission to annually designate a class of LifeLine service necessary to meet minimum communication needs and to set the rates and charges for such services. This has previously been a ministerial process based on the highest-COLR rate formula.

3.2.1. 2025 Staff Proposal

The 2025 Staff Proposal does not clearly propose an annual update process for the wireless SSA framework. In one place, the 2025 Staff Proposal states, "[u]nder the Set Price SSA, staff will conduct an annual market analysis to evaluate affordability and any market changes, ensuring necessary adjustments to the SSA and MSS."[55] In another, the 2025 Staff Proposal states that the new proposed methodology "eliminates the need for annual SSA updates required with the COLR methodology" and "is intended to be fixed for multiple years, so service providers have stable, predictable SSAs."[56]

[55] 2025 Staff Proposal at 1.

[56] 2025 Staff Proposal at 15.

3.2.2. Party Positions

Some commenters note that the 2025 Staff Proposal's suggestions may not satisfy the requirements of Section 873.[57] Other commenters stress that setting the SSA and MSS is a Commission obligation that cannot be delegated to staff outside of a ministerial framework.

3.2.3. Discussion

The analysis that informs the adopted wireless SSA/MSS framework above is not a ministerial analysis. The average retail rate resulting from the survey that forms the basis of the Standard SSA was adjusted, not based on a mathematical formula, but based on judgment of factors including consideration of variations between LifeLine plan requirements and retail plan offerings, the potential impact of portability freezes on provider costs, and minimum communications service needs.

Because we find an adjusted retail rate wireless SSA/MSS framework to be reasonable, the annual update mechanism should reflect this analysis. We direct staff to perform the following two-part MSS and SSA analysis each year and produce a staff resolution with recommendations if indicated or if staff otherwise believes the Commission should review an updated MSS or SSA. The thresholds for changes in MSS and SSA are designed to balance keeping pace with changes in customer needs and retail rates with predictability and decreasing administrative burdens. The baseline average rates used in Part B are those listed in Attachment 2 to this decision.

<u>Wireless SSA/MSS Annual Review Process</u>

- Part A: Review Tier 2 MSS. If no FCC Marketplace Report has been issued since the last Annual Review and if MSS

[57] *See e.g.,* TURN Opening Comments on the 2025 Staff Proposal at 3.

decision or resolution has been issued within prior three years, staff may proceed to Part B.[58] If a new FCC Marketplace Report has been issued since the last Annual Review, staff will calculate annual change in average nationwide per customer monthly usage from prior FCC Marketplace Report and current FCC Marketplace Report. If the average annual increase in per customer monthly usage exceeds 15 percent or if Tier 2 MSS has not been reviewed via resolution or decision in three years,[59] staff shall prepare a resolution with MSS recommendation for Commission review.

If no FCC Marketplace Report has been issued since the last Annual Review and if no decision or resolution updating the MSS has been issued within the prior three years, staff shall prepare a resolution with MSS recommendation for Commission review. Proposed MSS updates may be based on a source other than the most recent FCC Marketplace Report, provided that staff's resolution contains analysis supporting its recommendation.

Staff is not required to recommend a new MSS in its resolution. Staff may prepare an MSS update resolution for Commission review at any time.

- Part B: Review SSA. Staff shall conduct retail marketplace review of prepaid and postpaid plans of the service providers listed below, to the extent that each provider provides wireless services in California at the time of the annual review. If the average retail rate for plans that offer the Tier 2 MSS and plans that offer 2 GB more and 2 GB less than the Tier 2 MSS[60] changes by 10 percent or more

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[58] FCC Marketplace Reports are generally released biennially.

[59] Per customer monthly data usage increased 11% from YE 2022 to YE 2023 according to the 2024 FCC Marketplace Report (para.66). This figure increases approximately 12% from YE 2020 to YE 2021 (2022 FCC Marketplace Report, para. 80). YE 2018 to YE 2019 was a 39% increase to 9.2 GB per subscriber.

[60] I.e., the reference plan group for the adopted SSA/MSS framework would include plans offering 13-17 GB.

from the average retail rate the prior year, staff shall prepare a resolution with SSA recommendations for Commission review. Staff is not required to recommend a new SSA in its resolution. Staff is required to conduct the annual Part B SSA review regardless of whether the Tier 2 MSS review or update is required. Staff may prepare an SSA resolution for Commission review at any time. If a staff resolution is not required or otherwise put forward by staff, Communications Division shall issue an administrative letter informing LifeLine providers that there are no annual changes to the SSA/MSS.

- AT&T
- Consumer Cellular
- Cricket Wireless
- Gen Mobile
- Mint Mobile
- SafeLink Wireless
- Simple Mobile
- T-Mobile
- Tello
- Total Wireless
- Tracfone
- Verizon Wireless

Wireless service providers shall report the monthly data usage of LifeLine subscribers. Staff will take this information into account in the annual review of the MSS/SSA.

The adopted mechanism incorporates the retail rate analysis we find reasonable, while reflecting the non-formulaic nature of developing an appropriate SSA for LifeLine service related to the retail rate analysis. The mechanism requires annual review but does not require annual changes and allows for stakeholder feedback on proposed changes. We find this mechanism reasonable and adopt it.

3.3. Modification of the Specific Support Amount and Minimum Service Standards for Wireline Services

We adopt staff's proposed Tier A wireline SSA for a voice-only plan, with modifications to reflect the specific circumstances of the Small Local Exchange Carriers (LECs). We decline to adopt staff's proposed Tier B wireline voice and broadband bundle SSA.

3.3.1. 2025 Staff Proposal

Staff proposed setting the wireline SSA for voice-only service (Tier A) for each COLR based on each COLR's individual basic service rate: staff proposed setting the wireline voice-only SSA at 55 percent of a wireline service provider's combined basic service rate and the federal end user common line charge (EUCL) or an SSA cap of $19.00, whichever is lower.[61] Staff also proposed setting a Tier B SSA/MSS for a wireline plan that offers voice and broadband service; staff proposes capping the Tier B SSA at $21.00 for providers that offer service that reaches speeds of no less than 100 megabits per second (Mbps) download and 20 Mbps upload, with a data allowance that would match the federal Lifeline broadband minimum data allowance (currently 1280 GB per month).[62]

Table 6: Staff's Proposed Wireline SSA/MSS Framework

Plan	Max CA LifeLine SSA	Fixed Broadband Speed	Fixed Broadband Allowance
Tier A	$19.00	N/A	N/A
Tier B	$21.00	100/20	FCC MSS

[61] 2025 Staff Proposal at 19.

[62] Staff Proposal at 18-20.

Regarding annual updates, staff proposes that wireline service providers may request to update their LifeLine rates (and the resulting SSA, up to the $19.00 cap) by filing a Tier 2 advice letter by January 1 of each year.

3.3.2. Party Positions

AT&T opposes staff's Tier A proposal because it states staff has not established a need to update the COLR-based SSA methodology. AT&T states that there are so few wireline LifeLine customers, that any burden resulting from tying the SSA to the highest COLR rates is unlikely to have resulted from subsidizing wireline LifeLine service. AT&T states that if the Commission's objective is to protect the public interest and the LifeLine Fund, the Commission should reconsider other initiatives that draw on the Fund, such as the Home Broadband Pilot and the Commission's decision to allow the Fund to make up federal subsidies in some cases.[63] For these reasons noted above, AT&T asks the Commission to rescind the freeze on the wireline SSA and to continue using the existing wireline SSA methodology.

Alternatively, AT&T recommends that the Commission reject staff's proposed $19.00 cap, set each wireline provider's SSA at 55 percent of that provider's combined EUCL charge and basic residential price and permit wireline providers to adjust their LifeLine prices annually based on their SSA.

The Small LECs allege that the Tier A SSA of $19.00 is "antiquated," as it is based on 2024 COLR rates. Further, the Small LECs state that there is "the possibility that the SSA would be insufficient to allow [a Small LEC] to break even, even at the maximum $19.00 cap proposed in the Staff Proposal."[64] This

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[63] AT&T Opening Comments on the 2025 Staff Proposal at 3-4.

[64] Independent Small LECs Reply Comments on the 2025 Staff Proposal at 6.

could occur if the Commission approves a basic service rate in a Small LEC general rate case that is greater than the combination of the SSA, federal subsidy, and allowable customer rates under Pub. Util. Code Section 874.[65] They also oppose the Tier B SSA, as the $21.00 SSA is significantly lower than the $30.00 amount available when a customer receives both voice and broadband under the current Home Broadband Pilot Program.[66]

CalBroadband opposes creation of a Tier B SSA, stating that, "there does not appear to be a need or basis for the Commission to evaluate the merits of a competing broadband-inclusive Wireline Tier B proposal[,]" as it could deter participation in the California LifeLine Home Broadband Pilot Program.[67] CalBroadband also opposes the Tier A $19.00 SSA, stating that it could increase costs for customers.[68] CTIA states the Commission should adopt a $20.75 SSA and pin increases to inflation.[69]

TURN supports staff's proposal to update the wireline SSA, noting that AT&T's basic service rate increases have "far outstrip[ped] the next highest provider."[70] CforAT also supports the proposal to divorce the SSA from AT&T's basic service rate, stating that "the current SSA methodology relying on AT&T's prices for basic service have resulted in an SSA that is untethered from the actual

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[65] Pub. Util. Code §874 requires that lifeline telephone service rates shall not be more than 50 percent of the rates for basic flat rate service, exclusive of federally mandated end user access charges.

[66] Independent Small LECs Reply Comments on the 2025 Staff Proposal at 3.

[67] CalBroadband Opening Comments on the 2025 Staff Proposal at 2.

[68] *Id.* at 4.

[69] CTIA Opening Comments on the 2025 Staff Proposal at 4.

[70] TURN Reply Comments on the 2025 Staff Proposal at 3.

cost of providers' services."[71] CforAT supports adoption of staff's Tier A and Tier B proposals, but states that the Commission should monitor providers that offer both voice and broadband LifeLine offerings to ensure that providers are not cross-subsidizing those offerings.[72]

TURN opposes AT&T's recommendation to remove the $19.00 cap because,

> [a]s the Commission found in the Carrier of Last Resort Staff Proposal, rising wireline basic service prices coupled with service degradation and a lack of advertising may be resulting in households being disincentivized from purchasing wireline voice service, even if it is the option that would best suit their needs.[73]

However, TURN states that the Commission should adopt a cap not only on the wireline SSA but also on wireline copays.

Finally, TURN and the Small LECs support removing G.O. 153-A rule 9.3.2.2, which incorporates a $5.00 payment floor assumption into the wireline SSA calculation framework. TURN also states that the Commission should assess the affordability of wireline customer copays.[74] Citing the 2025 Staff Proposal's conclusion that even a $5.00 copay could make LifeLine service unaffordable, TURN states that the current LifeLine rules "still do not guarantee reasonable wireline co-payments."[75] While the 2025 Staff Proposal states that the proposed SSA update, participants' "bills will remain affordable," TURN notes that routine basic rate increases would still increase customer charges for wireline service

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[71] CforAT Opening Comments on the 2025 Staff Proposal at 5.

[72] CforAT Opening Comments on the Staff Proposal at 10.

[73] TURN Reply Comments on the 2025 Staff Proposal at 4.

[74] TURN Opening Comments on the 2025 Staff Proposal at 14.

[75] TURN Opening Comments on the 2025 Staff Proposal at 15-16.

under staff's framework and states that the Commission should therefore adopt a cap on wireline copayments.[76]

3.3.3. Discussion

We adopt staff's Tier A wireline SSA[77] as proposed, though we refine the proposed annual update mechanism to reflect the Small LECs' circumstances in section 3.4, below. We decline to adopt staff's proposed Tier B. Staff does not substantiate the significant difference between the support amount offered for its Tier B broadband and voice bundle plan under the proposed framework and the amount offered for the same plans supported by the Home Broadband Pilot Program. Further, given the recent initiation of the Home Broadband Pilot Program, and the Commission's intention to review the pilot program in the future,[78] it is premature to adopt a permanent SSA/MSS for a bundled broadband plan outside of the Pilot context. To avoid disrupting service for existing participants, California LifeLine customers currently receiving a wireline broadband and voice bundle plan should be permitted to continue receiving service under their existing plan and support level or may elect to enroll in or switch to the Home Broadband Pilot Program. This will ensure that no wireline bundle plan customers lose their current California LifeLine service.

The Tier A proposal reasonably divorces subsidy amounts from AT&T's basic service rate, which has increased for years without offering increased customer benefits. The adopted $19.00 SSA cap significantly exceeds the federal

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[76] TURN Opening Comments on the 2025 Staff Proposal at 14.

[77] Fixed VoIP providers participating in California LifeLine have historically received the same SSA applied to wireline providers. Accordingly, the Commission will maintain this existing framework and continue applying the wireline SSA to fixed VoIP providers.

[78] D.25-08-050 at 15 (directing staff to perform a Pilot review within 18 months after launching the Home Broadband Pilot).

support amount of $5.25 for voice-only services, which is the only support provided in most states. AT&T's opposition to staff's proposal is unpersuasive. The relative impact of wireline customer participation in LifeLine on the Program fund is not sufficient reason to continue subsidizing wireline service at rates that vastly exceed federal subsidies for the same service. While AT&T states that staff has not established a need to update the wireline SSA, we find that the disparities between California's subsidy, the federal subsidy, and other state subsidies, and between AT&T's basic service rates and other COLR basic service rates, establish sufficient reason to update the SSA framework. AT&T has not demonstrated that the proposed update is unreasonable and its alternative proposals are rejected.

No commenter alleging that the proposed SSA is insufficient has provided data to support this contention. While CalBroadband alleges that providers may increase customer costs in the future and so customer rates may become unaffordable, nothing in our adopted plan requires providers to increase customer rates or LifeLine customer rates in particular. CalBroadband's analysis also explicitly does not incorporate the federal subsidy, which still supports voice-only service.[79] We are also mindful of the potential for basic service rates of non rate-regulated carriers to be used to cross-subsidize more generous plans offering advanced telecommunications services, leading to basic service rates that do not reflect costs, noted by CforAT. As noted above, the LifeLine Program is not required to match the profits providers expect from the retail market.

We agree with CalBroadband and TURN, however, that the 2025 Staff Proposal's conclusion that "[w]ith this update, participant bills will remain

[79] CalBroadband Opening Comments on the 2025 Staff Proposal at 3.

affordable[,]" is unsupported and speculative. Basic service rates may increase after providers reach the $19.00 cap and customers may be required to pay an additional amount to cover those increases.[80] Two COLRs, AT&T and Consolidated, have already reached the cap.[81] Staff states that current participants' bill costs range from $5.00 - $19.00.[82] Staff shall monitor wireline customer charges over the next 12 months and shall issue a resolution within 18 months of the effective date of this decision, containing an assessment of the affordability of wireline copays. Staff's resolution may propose an SSA increase and/or a wireline copayment cap.

The Small LECs' recommendation that the Commission should update the SSA cap to match the current highest basic service rate is unsupported and is inconsistent with the Commission's intention to divorce the wireline SSA from AT&T's basic service rate. Further, the Small LECs have not established a reasonable basis to treat them differently than other wireline providers with regard to establishing an SSA framework. The Small LECs state that the $19.00 SSA cap could result in confiscatory rates if Small LEC basic service rates increase to a point at which the combination of the California SSA, the federal subsidy, and the amount providers are allowed to charge customers under Pub. Util. Code Section 874 does not combine to cover a Small LEC's basic service rate and the EUCL charge. However, Small LECs have the opportunity to forecast this revenue shortfall in their general rate cases. There, the Small LECs may request to recover the difference between (1) what is recovered from the LifeLine

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[80] Pub. Util. Code Section 874 limits the wireline subscriber copayment amount to no more than 50 percent of the retail basic service rate.

[81] 2025 Staff Proposal at 19.

[82] 2025 Staff Proposal at 19.

Fund under the $19.00 cap and the maximum allowable LifeLine customer charges under Pub. Util. Code Section 874[83] and (2) the revenue needed to allow the Small LECs to recover their authorized rates of return. When adopted via a general rate case decision, this difference would be recovered via other revenue sources and the California High Cost Fund-A (CHCF-A). Rather than creating a separate SSA framework for the Small LECs in the LifeLine Program, it is reasonable for the Commission to consider the impacts of regulatory changes of industry–wide impact, such as an update to the LifeLine SSA, on Small LEC revenue forecasts in the Small LEC general rate cases.

If a Small LEC experiences such a shortfall between the effective date of this decision and its next general rate case test year, then they may request recovery through the CHCF-A Annual Advice Letter process. A request for adjustment should be shown on Line 3 of its advice letter filing, cite to this decision, and be calculated using the maximum allowable LifeLine customer rate,[84] and reflect actual revenue and subscriber data. Recovery through the Annual Advice Letter is a temporary measure to avoid revenue shortfalls until each Small LEC's next general rate case. Beginning in each Small LEC's next general rate case test year, recovery via the Annual Advice Letter will not be permitted.

To avoid excessive burden on the CHCF-A and so that the Commission may monitor the interaction between the LifeLine Program and the CHCF-A, if any Small LEC Annual Advice Letter or general rate case application shows a

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[83] Pub. Util. Code Section 874 and G.O. 153-A, §8.1.4 require that LifeLine customers pay no more than 50 percent of the regular basic rate. While the Small LECs may continue to charge their LifeLine customers rates that are below this 50 percent maximum, any recovery from the CHCF-A shall be calculated using the maximum allowed LifeLine customer rate.

[84] As defined by Pub. Util. Code Section 874 and G.O. 153-A, Section 8.1.4.

loss of revenue from the difference between what is recovered from the LifeLine Fund under the $19.00 cap and allowable LifeLine customer charges that is greater than 10 percent of the company's approved 2026 CHCF-A support amount, then this difference shall be identified by the Small LECs in their application or Annual Advice Letter, and the LifeLine Program shall consider changes to the SSA or Program rules to reduce this revenue loss and corresponding impact on the CHCF-A.

3.4. Wireline SSA Annual Update

We adopt staff's proposed wireline annual update but acknowledge that this mechanism is time-bound in its usefulness. As noted above, regarding the annual wireline SSA update, staff proposes that provider SSAs can stay the same if their basic service rates stay the same, or, if a provider's basic service rate increases, the provider may request an increase in their SSA, up to $19.00 through a Tier 2 advice letter.[85] Staff goes on to state:

> Over time, as federal subsidies change and wireline service providers adjust their rates, the Commission may consider updates to MSS/SSA to ensure that wireline service is adequately subsidized. However, based on the historic service provider rate increases and federal subsidies, staff do not anticipate this will happen for many years. With current rates, all service providers will currently receive 55 percent of their rates.[86]

Thus, the annual advice letters used to implement the 55 percent cap are analogous to the annual review that increased the SSA based on 55 percent of the greatest COLR basic service rate. However, once all wireline providers' basic service rates have reached a point at which they are receiving the maximum

[85] 2025 Staff Proposal at 19.

[86] 2025 Staff Proposal at 19.

$19.00, no provider will have the ability under staff's framework to submit an advice letter requesting a new SSA. This does not satisfy the Commission's obligation to annually review LifeLine services, rates, and charges.

We adopt staff's recommendation to allow providers to submit Tier 2 advice letters to request authority to increase their SSA to 55 percent of basic service rates, up to the $19.00 cap. However, when the last incumbent local exchange carrier's authorized SSA reaches the $19.00 SSA cap, staff must review the wireline SSA. Within six months of the effective date of the tariff effectuating the final wireline LifeLine service proider's updated $19.00 SSA, staff shall issue a resolution proposing an updated cap on wireline SSA or justifying retaining the $19.00 cap. Staff's review may include consideration of removal of the $5.00 assumed wireline copayment floor.

Given the potential for Small LEC rate changes to be adopted and potentially become effective throughout the calendar year,[87] the Small LECs are authorized to submit Tier 2 advice letters to update their SSAs to equal 55 percent of their basic service rates and EUCL charges up to $19.00 as needed to align their LifeLine rate annual review with their basic service rate change implementation dates. All other wireline providers are authorized to submit Tier 2 advice letters requesting annual review of their LifeLine rates by January 1 of each year.

[87] While the Commission generally endeavors to implement Small LEC general rate case test years (and so basic service rate changes) on January 1, that may not always occur. *See* D.14-12-084 at n. 4. *See also* D.16-06-053 at OP 3s and 4.

3.5. Update to Non-Usage Rules

3.5.1. 2025 Staff Proposal

Staff proposes to revise the current non-usage rule so that it applies to all LifeLine customers. Currently, a customer that subscribes to a LifeLine plan that does not require a copay and that does not activate or use its LifeLine service within a 30 day period receives notice that their service is subject to cancellation if not used within 15 days of the notice. Staff proposes to extend this rule to all customers, regardless of whether they pay a copay. Staff states that extension of the rule to all customers not actively using subsidized services will identify customers who are not benefiting from the Program and will save ratepayer funds.[88]

3.5.2. Party Positions

As an initial matter, CalBroadband states that it is unclear whether staff proposes to extend the non-usage rule to all customers that pay a monthly fee[89] or just wireless customers that pay a copay. CalBroadband states that there is no evidence supporting an extension of the rule to wireline customers.[90]

Some commenters oppose the proposed rule change. Verizon disagrees with staff's proposal because "[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."[91] Verizon opposes diverging from the federal non-usage rule, as, if a customer is dropped from California LifeLine for non-

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[88] 2025 Staff Proposal at 17.

[89] There is an assumed $5.00 payment floor for all flat rate wireline LifeLine customers. G.O. 153-A §9.3.2.2.

[90] CalBroadband Opening Comments on the 2025 Staff Proposal at 6. *See also* Small LECs Reply Comments on the 2025 Staff Proposal at 7 (concurring with CalBroadband's position).

[91] Verizon Opening Comments on the 2025 Staff Proposal at 4.

usage, but remains on federal Lifeline, the customer may be required to make up for the lack of California subsidy. Verizon states that enforcement of two rules will "likely become untenable[,] and will cause confusion."[92] NaLA argues that the proposed rule change is inconsistent with the Commission's prior decision to mirror our repeal of a portability freeze with the federal repeal, which we based in part on a desire not to jeopardize federal Lifeline funding.[93]

CforAT and TURN support the proposed expansion of the non-usage rule.[94] CforAT suggests that copayments may not indicate active use, given "the reality of autopayments and other common situations where a customer may not realize they are being charged for service they are not using and do not want." CforAT also disputes that the proposal would impair customer choice, as customers are provided notice prior to being de-enrolled for non-usage.[95] TURN states that the proposed rule would improve Program efficiency by subjecting all subscribers to the same rule. TURN and CforAT recommend that providers educate customers regarding this rule change in advance and in multiple formats. [96]

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[92] *Id. See also* CTIA Opening Comments on the Staff Proposal at 9-10, stating that the Staff Proposal does not provide sufficient justification for deviating from the federal rule, which is based on a finding that collecting a copay is sufficient to determine customer intent.

[93] NaLA Opening Comments on the 2025 Staff Proposal at 11.

[94] CforAT Opening Comments on the 2025 Staff Proposal at 9. TURN Opening Comments on the 2025 Staff Proposal at 12.

[95] CforAT Reply Comments on the 2025 Staff Proposal at 7.

[96] TURN Opening Comments on the 2025 Staff Proposal at 13. TURN includes its comments on the proposed rule change under the heading "Wireless Issues," so we assume TURN refers to all wireless subscribers. *See also* CforAT Reply Comments on the 2025 Staff Proposal at 7.

3.5.3. Discussion

We agree with CalBroadband that the 2025 Staff Proposal is not clear as to which services the proposed non-usage rule extension is intended to cover. The 2025 Staff Proposal's proposed G.O. 153-A amendments appear to extend the rule to all services, with no exception for wireline services.[97] We agree with CalBroadband that there is no evidence in the 2025 Staff Proposal supporting extension of the rule to wireline subscribers that pay monthly fees. We agree with the Small LECs that the non-usage rules are intended to address issues with wireless customers.[98] Further, it is more likely that wireline subscribers (as opposed to wireless subscribers) may be away from their phones for 45 days while still intending to retain service. We decline to adopt a non-usage rule that extends to wireline subscribers that pay monthly fees.

However, we extend the non-usage rule to wireless customers that pay copays. It is reasonable to assume intent to use a service based on actual use of that service. If a subscriber is not using subsidized services to communicate, it is unreasonable for the subscriber to be subsidized. Part of the Moore Act's mandates include ensuring that the benefits of including certain services within the definition of "universal telephone service" (such that such services are subsidized) must outweigh the costs.[99] Absent actual use of subsidized services, "proactive" monthly payments, which could be auto-debited, do not sufficiently demonstrate that LifeLine services are being used to a consumer's benefit or that the subsidies expended for such services effectuate the Moore Act.

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[97] *See* 2025 Staff Proposal, G.O. 153-A Proposed Redlines, §5.7.

[98] Small LECs Reply Comments on the 2025 Staff Proposal at 7. *See also* In the Matter of Lifeline and Link Up Reform and Modernization at ¶ 255 et seq, WC Docket No. 11-42, FCC 12-11 (Feb. 6, 2012), available at https://docs.fcc.gov/public/attachments/FCC-12-11A1.pdf.

[99] *See* Pub. Util. Code §871.7(d)(3).

We disagree with commenters who argue that the proposed rule change would impinge on customer choice: we agree with CforAT and TURN that the required notice is sufficient to ensure that a customer who wants to retain their subsidized service has the choice to do so. Divergence from the federal rule here is not dispositive. As stated in our recent decision adopting Program modification reflecting the FCC Order,[100] we intend for California LifeLine to operate separately from federal Lifeline and have adopted an SSA/MSS framework that reflects this choice. The customer will receive notice that their California subsidy is at risk and will have the choice whether to use their subsidized service to continue to receive it. Finally, contrary to NaLA's position, divergence from the federal rule does not jeopardize federal funding because a customer de-enrolled from California LifeLine for non-usage under the new rule would still be eligible for federal Lifeline.

Wireless service providers are required to notify all customers about the rule change within 45 days of the effective date of this decision. Providers are also required to submit monthly reports to the Commission with the monthly data usage – and non-usage – of their LifeLine customers. These usage reports must accompany claims for reimbursement. The Commission may withhold reimbursement if a monthly usage report is not submitted.

3.6. Update to Wireless Activation and Connection Reimbursement Amount

3.6.1. 2025 Staff Proposal

The 2025 Staff Proposal proposes two changes to the rules that govern reimbursements for activation/connection fees for wireless LifeLine customers.

[100] The Commission adopted the referenced decision during the September 3, 2026, voting meeting. As such, this decision does not yet have a formal Commission decision number.

Currently, wireless LifeLine service providers may be reimbursed for two service activation or connection fees per subscriber per calendar year, with each reimbursement capped at $39.00 per instance.[101] Staff proposes to decrease the reimbursement amount to $15.00 per instance, and to decrease the number of reimbursements to once per year, beginning with the subscriber's initial date of service.[102]

Staff states that its proposal "is intended to ensure that ratepayer funds are used wisely and maintained in a fiscally responsible manner." To support its proposal, staff notes the relatively high rate of churn in the LifeLine market as compared to the retail market: in 2024, wireless LifeLine customers had a churn rate[103] of 155 percent, while from 2021 to the first quarter of 2023, AT&T, Verizon and T-Mobile had churn rates of between 2.5 and 4.9 percent. Staff notes that T-Mobile charges a $25.00 activation fee for prepaid service, AT&T has waived its $15.00 activation fee for prepaid subscribers, and Verizon charges no activation fee, suggesting that the LifeLine activation fee reimbursement is inconsistent with the retail market.[104]

3.6.2. Party Positions

Certain providers oppose the proposed connection fee reimbursement rule change. NaLA, for example, states that the $39.00 reimbursements are:

> an important component of the California LifeLine subsidies that make the provision of unlimited voice, unlimited texts and 6 GB or more of data – and often free or discounted

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[101] G.O. 153-A §9.3.1. *See also* D.17-01-032.

[102] 2025 Staff Proposal at 18.

[103] Churn measures the percentage of connections that are disconnected from mobile wireless service during a given time period. 2025 Staff Proposal at n.38.

[104] 2025 Staff Proposal at 18.

devices/equipment – available to low-income households in California.[105]

Verizon states that, while it does not oppose the concept of revising how the activation/connection charge is structured, the drastic reduction of the reimbursement is not supported in the Staff Proposal and fails to analyze how the greater churn seen in LifeLine might affect costs the reimbursement is meant to help offset.[106] TURN urges the Commission to consider the impacts of a reduction in this reimbursement on handset costs, while not objecting to such a reduction "in concept," given the high degree of churn in the LifeLine Program.[107]

CforAT supports reduction of the reimbursement amount, as proposed. CforAT notes that providers have declined to share their actual activation and connection costs and appear to have historically adjusted their activation fees to meet the maximum reimbursement amount.[108]

3.6.3. Discussion

We adopt the 2025 Staff Proposal's recommendation. Staff's proposed $15.00 reimbursement is more consistent with the activation/connection fees charged in the prepaid retail market. As suggested by CforAT, providers have omitted actual activation/connection or related cost data from their comments. Without additional support, the contention that reducing the amount or frequency of activation/connection fee reimbursements will decrease the ability

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[105] NaLA Opening Comments on the 2025 Staff Proposal at 12. *See also* AirVoice Opening Comments on the 2025 Staff Proposal at 4, noting that reimbursements must consider provision of devices and the relatively higher operational and compliance costs of LifeLine service compared with prepaid service.

[106] Verizon Opening Comments on the 2025 Staff Proposal at 2.

[107] TURN Opening Comments on the 2025 Staff Proposal at 13.

[108] CforAT Opening Comments on the 2025 Staff Proposal at 9.

of providers to meet minimum service standards or to cover program costs is unpersuasive. The SSA is the total that supports providers offering services that meet minimum service standards. The LifeLine Program is not authorized to subsidize devices. Providers are welcome and encouraged to offer free handsets to better compete in the LifeLine market, but we decline to continue the existing activation/connection fee reimbursement framework to support this.

Verizon points to the high degree of churn as a reason to continue subsidizing activation and connection fee reimbursements at a rate that significantly exceeds the activation fees charged in the prepaid retail market noted in the 2025 Staff Proposal. However, the significant disparity between churn rates in the LifeLine market and the retail market warrant a change in Commission policy. It is unreasonable to subsidize such a high degree of churn in LifeLine as compared to the retail market.

4. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

There is one public comment listed on the docket card for this proceeding. The commenter opposes eliminating or reducing California LifeLine service and urges the Commission to reject any proposal that would weaken the Program or allow carriers, especially AT&T, to discontinue reliable copper landline service. The commenter notes the benefits of California LifeLine and copper landline service for many California constituencies, including low-income Californians and people with disabilities.

5. Comments on Proposed Decision

The proposed decision of Commissioner John Reynolds in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. 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

John Reynolds is the assigned Commissioner and Eileen Odell is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The wireless MSS has not changed since 2020 and has failed to keep pace with the increases in the COLR-based SSA.
2. The FCC's 2024 Marketplace Report showed average monthly data consumption of 15.5 GB per customer in 2023.
3. Some low income Californians may reasonably require more than average data usage to fully participate in modern life.
4. The rates listed in Attachment 2 reflect wireless retail rates as of May 2026; Tello rates were collected as of July 2026.
5. Limited portability freezes adopted for Tiers 2 and 3 wireless service plans are anticipated to reduce customer churn and provider costs, and could reduce Program costs and waste, fraud, and abuse.
6. Portability freezes are administratively complex; allowing a customer to maintain their original applicable portability freeze even if they change service plans with their current provider during their original portability freeze will decrease administrative complexity, will allow customers to respond to their changing communications needs, and will reduce the opportunity for providers

to extend portability freezes by selling customers plans with additional data they may not actually need.

7. The wireless SSA/MSS tiers in Attachment 1 are calibrated to address customers' needs for increased data, postpaid and prepaid market retail rates, and the impacts of portability freezes on costs.

8. The LifeLine Program is not required to match the profits providers receive offering plans on the retail market.

9. The SSA has increased substantially over the past decade without providing increased customer benefits for wireline customers.

10. The California SSA is significantly more than the federal subsidy for voice only service.

11. California LifeLine provides the highest supplemental state subsidy for LifeLine services in the nation.

12. The Independent Small LECs' forecast revenues, rate design and the reasonableness of the Independent Small LECs' basic service rates are reviewed by the Commission in general rate cases.

13. Staff did not assess the affordability of wireline customer charges in the 2025 Staff Proposal.

14. The non-usage rules are intended to address issues with wireless service.

15. Applying the non-usage rule to all wireless customers is consistent with the aim of ensuring that the Program only funds services that are actually being used for communication.

16. The current wireless activation/connection fee reimbursement amount exceeds the activation fees charged by the wireless facilities-based providers, some of whom waive such fees for new customers.

17. In 2024, wireless LifeLine customers had a churn rate of 155 percent, while from 2021 to the first quarter of 2023, AT&T, Verizon and T-Mobile had churn rates of between 2.5 and 4.9 percent.

18. Fixed VoIP providers participating in California LifeLine have historically received the same SSA applied to wireline providers.

Conclusions of Law

1. The Program's wireless SSA/MSS framework should be updated to support the state goal of meeting customers' minimum communications service needs.

2. The nationwide average monthly customer usage provided in the FCC's Marketplace Report is a reasonable administrative proxy for minimum communications service needs and should be used as a reference for a standard/middle tier MSS.

3. It is reasonable to base wireless SSA amounts on a survey of postpaid and prepaid retail wireless rates, while making adjustments to reflect differences between the benefits offered by retail plans and those required for LifeLine plans. It is also reasonable to incorporate the potential impacts of portability freezes on costs into the adopted SSA.

4. It is reasonable to adopt the exceptions and limitations to the 60- and 90-day portability freezes described herein to protect LifeLine subscribers.

5. It is reasonable to adopt the wireless SSA/MSS framework described herein and in Attachment 1 that requires provision of a minimum level of communications service access at no charge to the consumer to ensure the affordability of such access.

6. LifeLine service providers should be allowed to offer wireless service plans that exceed the Tier 3 MSS for a copay, provided that they offer at least one

plan that meets the Tier 3 MSS for no copay. Staff should review proposed copay plans to ensure that such plans exceed the MSS required for Tier 3 plans.

7. Providers should be required to obtain affirmative customer consent before enrolling customers in wireless plans that require a portability freeze.

8. Providers should be required to notify customers at least seven days before expiration of a 60- or 90-day benefits portability freeze.

9. Providers that elect to provide Tier 2 or Tier 3 plans with a portability freeze should be required to maintain the service level and MSS associated with the subscriber's selected plan for as long as the subscriber remains enrolled in that plan. This obligation should remain in effect unless the subscriber transfers service to another provider after the applicable portability freeze has expired

10. The Commission should subsidize wireless service for customers that actually communicate with subsidized service.

11. Wireless SSA and MSS levels and activation/connection fee reimbursements should not be designed to offset the costs of free mobile devices.

12. The Commission should establish wireless SSA and MSS tiers as set forth in Attachment 1.

13. The Commission should ensure that any wireless service plan that requires a copayment exceeds the MSS established in Attachment 1 for a Tier 3 plan.

14. Wireless providers should be required to file a Tier 2 advice letter to request the Communications Division's review of terms and conditions of the proposed Family Plans and/or plans that exceed the Tier 3 MSS. The Tier 2 advice letter shall include the web address for the provider's California LifeLine web page.

15. The annual update mechanism for the wireless SSA/MSS framework should reflect the discretionary nature of the analysis adopted herein and should not delegate that discretion to staff absent Commission oversight and approval.

16. It is reasonable for staff to review the impact of portability freezes on customers and on the LifeLine Program, including related complaints received by CAB and the TPA, to ensure such freezes do not negatively impact the Program.

17. The Commission should modify the wireline SSA such that the SSA for each provider equals 55 percent of that provider's basic service rate and the federal EUCL charge or $19.00, whichever is lower.

18. It is reasonable for wireline service providers to request annual review of their individual wireline SSA via Tier 2 advice letter.

19. It is reasonable for the Commission to consider the impacts of the SSA on Small LEC revenue recovery in Small LEC annual advice letters until each Small LEC's next general rate case. After each Small LEC's first general rate case following the effective date of this decision, it is reasonable to address the impact of the SSA updates on Small LEC revenue recovery only in Small LEC general rate cases.

20. The Commission should assess the impact of its wireline SSA update on customer charge or copay affordability.

21. It is reasonable for the Commission to continue applying the wireline SSA to fixed VoIP providers.

22. The Commission should expand its non-usage rule to include wireless customers who pay a copay to ensure the Program provides discounts to customers using subsidized service to communicate.

23. It is unreasonable to subsidize the high degree of churn in the LifeLine Program.

24. The Commission should decrease the reimbursement for wireless activation/reconnection charges to $15.00, once per customer per service year.

O R D E R

IT IS ORDERED that:

1. The wireless and wireline Specific Support Amounts, Minimum Service Standard frameworks, annual review processes, portability freeze terms, non-usage rules, activation and connection fee reimbursement rates, and other associated terms, for the California Universal Telephone Service Program are modified as set forth in Attachment 1. These modifications shall become effective upon the date confirmed in an administrative letter to be issued by the Communications Division, which shall confirm the readiness of the Third-Party Administrator to implement the adopted modifications.

2. Each California Universal Telephone Service Program (California LifeLine) wireless provider shall file a Tier 2 advice letter within 45 days of the effective date of this decision for any Tier 1, Tier 2, or Tier 3 service plan it seeks to offer, as approved in Attachment 1. The Tier 2 advice letter shall include the web address for the provider's California LifeLine web page. In addition to existing filing requirements, providers shall also send a copy of the Tier 2 advice letter to the California LifeLine Section of the California Public Utilities Commission's Communications Division at CaLLAdviceLetter@cpuc.ca.gov including this decision number.

3. Each California Universal Telephone Service Program (California LifeLine) wireless provider shall file a Tier 2 advice letter within 75 days of the effective date of this decision for any proposed Family plans or plans offering data

amounts exceeding the Minimum Service Standards it seeks to offer, as approved in Attachment 1. The Tier 2 advice letter shall include the web address for the provider's California LifeLine web page. In addition to existing filing requirements, providers shall also send a copy of the Tier 2 advice letter to the California LifeLine Section of the California Public Utilities Commission's Communications Division at CaLLAdviceLetter@cpuc.ca.gov including this decision number.

4. California Universal Telephone Service Program wireless providers shall notify their customers of service plan changes at least 30 days prior to the effective date of service plan changes.

5. Each California Universal Telephone Service Program (California LifeLine) wireline provider shall file a Tier 2 advice letter within 45 days of the effective date of this decision for its Tier A Voice Plan, as approved in Attachment 1. The Tier 2 advice letter shall include the web address for the provider's California LifeLine web page. In addition to existing filing requirements, providers shall also send a copy of the Tier 2 advice letter to the California LifeLine Section of the California Public Utilities Commission's Communications Division at CaLLAdviceLetter@cpuc.ca.gov including this decision number.

6. California Universal Telephone Service Program wireline providers shall notify their customers of service plan changes at least 30 days prior to the effective date of service plan changes.

7. Each California Universal Telephone Service Program wireline provider, except the Small Local Exchange Carriers, shall file a Tier 2 advice letter requesting updates to its basic service rates by January 1 of each year, for rates effective April 1 of that same year.

8. The Small Local Exchange Carriers shall file Tier 2 advice letters requesting updates to their Specific Support Amounts and California Universal Telephone Service Program (California LifeLine) service rates as needed to align their annual California LifeLine rate review with the implementation dates of their basic service rate changes, until they reach the $19.00 Specific Support Amount cap.

9. To the extent that a Small Local Exchange Carrier receives California High Cost Fund-A support, such Small Local Exchange Carriers shall forecast the impacts of the $19.00 Specific Support Amount cap on their revenue forecasts in their general rate cases so that the Commission can consider any projected revenue shortfalls.

10. If a Small Local Exchange Carrier that receives California High Cost Fund-A (CHCF-A) support experiences a revenue shortfall due to the adoption of the $19.00 Specific Support Amount cap between the effective date of this decision and its next general rate case test year, that carrier may request recovery of the revenue shortfall through the CHCF-A Annual Advice Letter process. A request for adjustment should be shown on Line 3, cite to this decision, be calculated using the maximum allowable LifeLine customer rate, and reflect actual revenue and subscriber data. Recovery through the Annual Advice Letter shall be a temporary measure to avoid revenue shortfalls until each Small Local Exchange Carrier's next general rate case. Beginning in each Small Local Exchange Carrier's next general rate case test year, recovery via the Annual Advice Letter will not be permitted.

11. If any Small Local Exchange Carrier Annual Advice Letter or general rate case application shows a loss of revenue from the difference between what is recovered from the California Universal Telephone Service Program (California

LifeLine) Fund under the $19.00 cap and allowable California LifeLine customer charges that is greater than 10 percent of the company's approved 2026 California High Cost Fund-A support amount, then the California LifeLine Program staff shall consider changes to the Specific Support Amount or California LifeLine Program rules to reduce this revenue loss and corresponding impact on the CHCF-A.

12. Wireless providers shall notify all customers of the non-usage rule change within 45 days of the effective date of this decision.

13. General Order 153-A is modified as set forth in Attachment 1 to reflect updates to the wireline and wireless Specific Support Amount and Minimum Service Standard frameworks, annual review processes, exceptions and limitations to the 60- and 90-day portability freezes, extension of the non-usage rule to wireless customers that pay copays and decrease of the wireless activation/connection reimbursement amount to $15.00, once per customer, per service year. These modifications shall become effective upon the date confirmed in an administrative letter to be issued by the Communications Division, which shall confirm the readiness of the Third-Party Administrator to implement the adopted modifications.

This order is effective today.

Dated ____________________________, at San Marcos, California.