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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of American Broadband and Telecommunications Company LLC (U-4457C) for Appeal Request for Expedited Schedule.	Application 26-06-003

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules). It also directs the parties to provide additional information in order to resolve the outstanding Motion for Preliminary Injunction.

1. Background

In this application, American Broadband and Telecommunications LLC (AMBT) (U-4457-C) appeals certain compliance actions the Communications Division (CD) at the California Public Utilities Commission (Commission) took against AMBT regarding AMBT's conduct as a California LifeLine (LifeLine) service provider. AMBT has been an authorized LifeLine service provider since 2017 and provides prepaid wireless LifeLine service in California. AMBT also participates in federal Lifeline.[1]

[1] Resolution (Res.) T-17516.

Cease and Desist Notice

On November 4, 2025, CD issued a Cease and Desist Notice (C&D Notice) to AMBT. In the C&D Notice, CD notified AMBT it had determined that AMBT violated LifeLine rules by improperly sharing its LifeLine and Eligible Telecommunications Carrier (ETC) authority with non-approved service providers.[2] CD named SurgePays/USA Phone (SurgePays), Unity Wireless (Unity), Volt Mobile (Volt), and YourCall Wireless (YourCall) as non-approved service providers it alleged AMBT had allowed to resell or distribute LifeLine services under its authority.[3] CD stated that the Commission had received over 1,400 complaints against AMBT and its partners between July 2025 and September 2025 (an increase of over 3050 percent), coinciding with AMBT's partnerships with the entities listed above.[4]

CD therefore directed AMBT to:

1. "Terminate all partnerships and cease reselling or distributing LifeLine services through non-approved service providers,"[5] including SurgePays, Unity, Volt, and YourCall;

2. Submit a draft customer notification for CD's approval to inform the customers who were improperly enrolled through non-approved service providers that they may either transfer their service to another authorized California LifeLine service

[2] Letter from Robert Osborn, Director, Communications Division, California Public Utilities Commission, to Jeffrey Ansted, President, American Broadband and Telecommunications Company, re: American Broadband and Telecommunications Company – Cease and Desist Notice (Nov. 4, 2025). Amended Application, Exhibit 2 at 1 (hereinafter C&D Notice).

[3] C&D Notice at 1-2.

[4] "The complaints include LifeLine transfers without affirmative customer consent, unauthorized service disconnections that left customers without service, and failure to provide mobile devices upon enrollment." C&D Notice at 2.

[5] C&D Notice at 1.

provider without service interruption at no cost or de-enroll from the program;[6] and…

3. Respond to a data request with questions regarding the numbers of customers AMBT and each of its related non-approved service providers enrolled in LifeLine from April 2025 through October 2025, related customer details and supporting documentation, and the partnership agreements AMBT has with identified and any other unidentified non-approved service providers.[7]

To establish compliance with the C&D Notice, CD required AMBT to submit a Tier 2 advice letter with (1) a signed declaration confirming that all unauthorized partnerships had been terminated and all unauthorized terms and conditions had been removed from unauthorized provider websites and (2) draft customer notice language for CD's approval. The C&D Notice required AMBT to file its advice letter within 30 days.[8]

Via the C&D Notice, CD suspended AMBT's Service Provider Intake Application Programming Interface (SPIA) credentials until further notice.[9] The C&D Notice informed AMBT that CD would withhold AMBT's LifeLine reimbursements until AMBT achieved full compliance. The C&D Notice further

[6] C&D Notice at 3.

[7] C&D Notice at 3.

[8] C&D Notice at 3.

[9] SPIA is a web-based API solution that enables service providers to submit new applications, transfer requests, and to update applicant and subscriber information and de-enroll customers online in near-real time. While a service provider's SPIA credentials are suspended, these functions must be completed manually via paper submissions. *See* Administrative Letter from Gelareh Safavi, Communications Division Program Manager, California Public Utilities Commission, to California LifeLine Service Providers, Re: Mandatory Process for the Service Provider Intake Application Programming Interface (SPIA) Credentials (Oct. 10, 2025) *available as of this writing at* notice-to-all-california-lifeline-service-providers-spia-credentials-admin-letter-10-002.pdf.

informed AMBT that the Commission may require AMBT to return any LifeLine payments received in violation of program rules. Finally, the C&D Notice stated that, "…[f]ailure to comply […] may result in enforcement actions, including fines, penalties, and revocation of AMBT's authority to participate in the California LifeLine Program.[10]"

Recoupment Letter

On March 3, 2026, CD issued a recoupment letter (Recoupment Letter) to AMBT. The letter denied AMBT's requests for reimbursement for serving customers CD found had been served by Unity, Volt, and SurgePays between September 2025 and December 2025, totaling $796,513. CD stated that despite lacking California LifeLine authority or federal ETC designation,[11] Unity, Volt and SurgePays "performed core LifeLine service provider functions on behalf of AMBT, including enrollment, customer service, distribution of devices, and service activation."[12] CD further found that from April 2025 through August 2025, AMBT claimed LifeLine reimbursements for customers served by Unity, Volt, and SurgePays, totaling $2,505,196, and transferred most of the LifeLine subsidies to these unauthorized entities pursuant to partnership agreements. CD stated it would "recover these overpayments by offsetting them against AMBT's

[10] C&D Notice at 3.

[11] *See* AMBT Amended Application for Appeal and Request for Expedited Schedule, Exhibit 3, Letter from Gelareh Safavi, Consumer Programs Branch Program Manager, Communications Division, California Public Utilities Commission to Jeffrey Ansted, President, AMBT, Re: [AMBT] – California LifeLine Reimbursement Claims, at 1 (Mar. 3, 2026) (hereinafter Recoupment Letter) (citing D.14-01-036 at Ordering Paragraph (OP) 3 and OP 24, 47 U.S.C. §254(e) and 47 C.F.R. §54.407(a)).

[12] Recoupment Letter at 2.

future California LifeLine reimbursements beginning with the September 2025 claims until the full amount of the overpayment has been recovered."[13]

Finally, CD found that the marketing materials used by Unity, Volt, and SurgePays were not submitted or approved by CD, in violation of General Order 153-A Section 7.10. [14]

AMBT's Advice Letter 39

AMBT submitted Advice Letter 39 on February 26, 2026. In Advice Letter 39, AMBT contested CD's characterization of its arrangements with third-party vendors as "unauthorized providers." AMBT alleged that the third-party entities are AMBT's marketing partners and argued that such arrangements are not barred by LifeLine rules.[15]

Despite these contentions, AMBT stated, it had amended its service agreements,

> "…[W]ith each marketing partner identified in the [C&D] Notice to prohibit the marketing partner from marketing AMBT's Lifeline services (including California LifeLine services) in conjunction with the marketing partner's brand names … or displaying or providing links to AMBT's terms and conditions on its website.[16] "

AMBT also submitted two alternative proposed customer notices for CD's approval. AMBT noted that, though it disagreed with CD's characterization that

[13] Recoupment Letter at 4.

[14] Letter from Gelareh Safavi, Program Manager, Communications Division, California Public Utilities Commission, to Jeffrey Anstead, President, American Broadband and Telecommunications Company, re: American Broadband and Telecommunications Company - California LifeLine Reimbursement Claims (Mar. 3, 2026). Amended Application, Exhibit 3 (hereinafter Recoupment Letter).

[15] Amended Application, Exhibit 23, Advice Letter 39 at 2-3 (hereinafter Advice Letter 39).

[16] Advice Letter 39 at 3.

its customers were served by non-approved providers, it had been working in good faith with CD to develop agreed-upon notice language, and CD had recently directed AMBT to submit its two most-recent proposals in an advice letter.[17] AMBT's Advice Letter 39 contained those proposed notices.

On March 20, 2026, CD suspended Advice Letter 39 and CD notified AMBT that the suspension period would run through July 27, 2026.[18]

Present Appeal

On May 15, 2026, AMBT filed an application for appeal of actions taken by CD.[19] On the same date, AMBT filed a motion for preliminary injunction.

AMBT filed an amended application on July 17, 2026.[20] AMBT's amended application appealed the following actions taken by CD: (1) suspension of AMBT's SPIA credentials and LifeLine payments pursuant to the C&D Notice[21] and (2) issuance of the LifeLine subsidies Recoupment Letter.[22]

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[17] *See* Advice Letter 39 at 5-6. CD and AMBT dispute whether the notices should come from the unauthorized providers or from AMBT. Amended Application at 33.

[18] Amended Application, Exhibit 29, Email from Danyel Cordoba, Communications Division, California Public Utilities Commission, to Debra McGuire Mercer, Attorney for AMBT (contact listed on Advice Letter 39), re: [AMBT] - AL#39 - Suspension Notice (Mar. 20, 2026).

[19] There is no process formally designated to appeal CD's the Recoupment Letter. The Commission's Legal Division suggested AMBT file an application to appeal the reimbursement amount in the Recoupment Letter as an analogous action to the application process allowed by G.O. 153-A Section 13.3.1. *See* Amended Application at 3 and n.6.

[20] AMBT's May 15, 2026, application was heavily redacted and so did not explain to the public the bases of AMBT's appeal. An assigned administrative law judge (ALJ) held a virtual status conference on July 7, 2026. During the status conference, the ALJ informed AMBT that the redactions in the application should be revised to allow the public a meaningful opportunity to participate in the proceeding. AMBT's July 9, 2026, Amended Application is consistent with its May 15, 2026, application, but with significantly fewer redactions.

[21] Amended Application at 4.

[22] Amended Application at 3.

In its amended application, AMBT denies that it authorized any third party to use its LifeLine authority or that it violated LifeLine rules. AMBT states that it "is the only LifeLine service provider"[23] providing LifeLine service under its authority and "the listed entities are marketing and distribution partners (not LifeLine service providers) or, in the case of Your Call Wireless, an AMBT brand name previously approved by the Commission."[24] AMBT states that since CD issued the C&D Notice, it has continued to serve LifeLine customers without reimbursement from the Commission.[25]

AMBT filed an amended motion for preliminary injunction (Amended Motion) on July 17, 2026.[26] In its amended motion, AMBT requests that the Commission,

> "…[R]estore the status quo by immediately staying the enforcement of the CD's recoupment letter, restoring AMBT's SPIA access, and processing AMBT's claims for reimbursement for LifeLine services provided in September 2025 through the last month for which AMBT has claimed reimbursement.[27]"

On July 28, 2026, an assigned Administrative Law Judge (ALJ) issued a ruling resetting the protest period, allowing members of the public to respond to the amended application.

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[23] Amended Application at n.12.

[24] Amended Application at n.12.

[25] Amended Application at 4.

[26] AMBT's May 15, 2026, Motion for Preliminary Injunction was entirely redacted, and so did not provide the public with sufficient opportunity to respond. The July 17, 2026 Amended Motion for Preliminary Injunction appears identical to the May 15, 2026, Motion (including the title and date) except that it contains significantly fewer redactions.

[27] Amended Motion for Preliminary Injunction at 3.

On August 12, 2026, the Commission's Consumer Protection and Enforcement Division (CPED) filed an opposition to AMBT's Amended Motion. On August 24, 2026, AMBT filed a reply to CPED's opposition to the Amended Motion.

On August 27, 2026, CPED filed a protest to the amended application. On September 4, 2026, AMBT filed a reply in support of its amended application.

A virtual prehearing conference was held on September 8, 2026, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the amended application, CPED's protest, AMBT's reply, and discussion at the prehearing conference, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Inadvertent Ruling Release

On October 13, 2026, a draft copy of this ruling was inadvertently released. It has been stricken from the record and removed from the proceeding docket. Parties are directed to destroy any copies of the October 13, 2026 version of the Assigned Commissioner's Scoping Ruling and Memo saved onto their computers, and shall only reference this Scoping Memo and Ruling moving forward.

3. Issues

The issues to be determined or otherwise considered in AMBT's appeal of the C&D Notice and Recoupment Letter are:

1. Did AMBT violate California LifeLine program rules and/or federal Lifeline rules by allowing unauthorized third-party providers to operate under its authority to provide LifeLine service? This inquiry includes, but may not be limited to the following questions:

a. What services were provided by SurgePays, Unity, Volt, and YourCall on behalf of AMBT and what services were provided by AMBT itself in furtherance of its provision of California LifeLine services between April 2025 through December 2025?

b. Are the services provided by SurgePays, Unity, Volt, and YourCall "core LifeLine services," such that AMBT should not have delegated these services to third-parties, pursuant to Resolution T-17516?

2. Did SurgePays, Unity, Volt and/ or YourCall have authorization to provide LifeLine service at any time between April 2025 and December 2025?
3. Did AMBT violate California LifeLine marketing requirements (G.O. 153-A Section 7.10)?
4. If the answer to 1, and/or 3 is "yes," has AMBT since come into compliance with rules regarding the use of unauthorized LifeLine service providers, LifeLine marketing requirements, and/or the terms of the C&D Notice and /or the Recoupment Letter?
5. Should SPIA access be restored and for what functions?
6. What LifeLine reimbursement amounts between April and December 2025 is AMBT entitled to in accordance with G.O. 153-A?

4. Need for Evidentiary Hearing

Parties indicated that there may be material issues of disputed facts. Accordingly, evidentiary hearings may be needed; however at this time, I determine that the need has not been demonstrated. The need for evidentiary hearing will be determined by an assigned ALJ at a future date.

5. Schedule

The following schedule is adopted here and may be modified by an assigned ALJ as required to promote the efficient and fair resolution of the application:

Event	Date
Briefing Due Regarding Motion for Preliminary Injunction	November 19, 2026
Intervenor's prepared direct testimony served:	December 1, 2026
Prepared rebuttal testimony served:	December 15, 2026
Joint Response filed stating whether Evidentiary Hearings are necessary and if so, providing lists of (1) all disputed material facts, (2) all witnesses and for each witness, the disputed material facts to which the witness will testify, and (3) direct and cross-examination estimate times for each witness a party proposes to conduct direct examination and cross-examination on:	January 11, 2026
Evidentiary hearing, if needed:	Late-January/Early February 2027
Opening briefs:	February 19, 2027
Reply briefs [matter submitted]:	March 5, 2027

The purpose of the January 11, 2026, Joint Response is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties' resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

The proceeding will stand submitted upon the filing of reply briefs unless the ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 12 months as required by Public Utilities Code Section 1701.2(i).

6. Motion for Preliminary Injunction

As discussed above, CD issued the C&D Notice and Recoupment Letter pursuant to its determination that AMBT had allowed unauthorized third parties to provide LifeLine service under AMBT's LifeLine authority, as described below. In its Recoupment Letter, CD also found that AMBT had failed to submit consumer education and/or marketing materials for review and approval prior to dissemination to the public in violation of LifeLine program rules.[28]

Via the C&D Notice, CD suspended AMBT's access to SPIA "until further notice" and stopped reimbursing AMBT for providing LifeLine service on an ongoing basis "until [AMBT] achieve[d] full compliance" with the C&D Notice.[29] Via the Recoupment Letter, CD denied a portion of AMBT's claims for LifeLine reimbursements from September through December 2025 and required repayment of a portion of previously paid reimbursements from August 2024 through August 2025. AMBT filed the instant Application to appeal CD's actions.

With its Application, AMBT submitted a Motion for Preliminary Injunction on May 15, 2026 (and an amended public version on July 17, 2026) (Amended Motion). The Amended Motion asked that enforcement of the recoupment letter be stayed, AMBT's SPIA access be restored, and that AMBT's reimbursement claims for LifeLine services rendered from September 2025 to the present be processed.

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[28] AMBT Amended Application for Appeal and Request for Expedited Schedule, Exhibit 3, Letter from Gelareh Safavi, Consumer Programs Branch Program Manager, Communications Division, California Public Utilities Commission to Jeffrey Ansted, President, AMBT, Re: [AMBT] – California LifeLine Reimbursement Claims, at 2 (Mar. 3, 2026) (hereinafter Recoupment Letter).

[29] AMBT Amended Motion for Preliminary Injunction, Exhibit 1, Letter from Robert Osborn, Director, Broadband Consumer Programs and Carrier Oversight, California Public Utilities Commission, to Jeffrey Anstead [sic], President, AMBT, Re: [AMBT] – Cease and Desist Notice, at 3 (Nov. 4, 2025) (hereinafter C&D Notice).

This ruling does not resolve the Motion for Preliminary Injunction at this time. Instead, the parties are directed to file additional briefing and provide additional information before a decision is rendered on the Motion. In particular, the parties are directed to submit a list of disputed and undisputed facts relevant to the Motion. Parties shall also respond to the following questions.

- Which SPIA functions are available to AMBT and which remain unavailable?
- Is the file process enrollment through the third-party administrator available to AMBT while its SPIA access is suspended? If so, has AMBT submitted enrollments through the file process? If not, why has AMBT not used the file process?
- What are the reimbursement claim amounts submitted by AMBT since December 2025, by month? Provide a breakdown of subscribers claimed for each named partner including AMBT, SurgePays, Unity, Volt, and YourCall.
- What is AMBT's monthly financial impact? Provide the number of subscribers and the amount AMBT has received in federal LifeLine subsidies and other revenues on a monthly basis for each month after December 2025.
- Does CPED continue to dispute the validity of ongoing reimbursement claims submitted? For what reason, and how does CPED think this will be resolved through the proceeding?

Parties shall submit this additional briefing on the Motion by November 19, 2026.

7. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, an assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.[30] Given the current status of the proceeding, parties are heavily encouraged to consider the use of an ADR neutral and solicit the participation of the Commission's Communications Division.

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

8. Category of Proceeding and Ex Parte Restrictions

The Commission determined that this is an adjudicatory proceeding.[31] Accordingly, ex parte communications are prohibited pursuant to Article 8 of the Rules, except for communications with an assigned Administrative Law Judge.

9. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission

[30] https://www.cpuc.ca.gov/PUC/adr/

[31] Res. ALJ 176-3582 at 4.

sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

10. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by October 8, 2026, 30 days after the prehearing conference.

11. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

12. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at http://cpuc.ca.gov/pao or contact the Commission's Public Advisor at 866-849-8390 or send an e-mail to public.advisor@cpuc.ca.gov.

13. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is

correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.[32]

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, however, for this proceeding, an assigned ALJs have waived the paper service requirement.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters.

[32] The form to request additions and changes to the service list may be found at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf

Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

14. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add "@cpuc.ca.gov" to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

15. Assignment of Proceeding

John Reynolds is the assigned commissioner, and Garrett Toy and Eileen Odell are the assigned ALJs and presiding officers for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is not needed.
4. The presiding officers are Administrative Law Judges Garrett Toy and Eileen Odell.
5. The category of the proceeding is adjudicatory.
6. Parties are directed to submit additional information related to the Motion for Injunctive Relief by November 19, 2026.

Dated November 5, 2026, at San Francisco, California.

/s/ JOHN REYNOLDS
President John Reynolds
Assigned Commissioner