

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Consumer Programs Branch**

**RESOLUTION T- 17564  
April 27, 2017**

**RESOLUTION**

RESOLUTION T-17564. This Resolution adopts requirements and a process for the service failure exception to the 60-day discount transfer freeze for California LifeLine telephone service, a trigger for when to start the California LifeLine discount transfer freeze duration, and the consumer education components for both the California LifeLine discount transfer freeze and the enrollment request freeze.

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**SUMMARY**

In this Resolution, the California Public Utilities Commission (CPUC) modifies the California LifeLine Program (California LifeLine or Program) rules in General Order (GO) 153 to implement the service failure exception to the benefit portability (i.e., discount transfer) freeze that the CPUC adopted in Decision (D.) 17-01-032. This Resolution also describes the necessary components for educating consumers about the California LifeLine discount transfer freeze and the enrollment request freeze.

The CPUC's Communications Division collaborated with the Consumer Affairs Branch (CAB), the California LifeLine Administrator (Administrator), and parties to the Rulemaking (R.) 11-03-013 proceeding in developing recommendations in this Resolution. Some parties to the proceeding recommended that CPUC Staff hold workshops prior to the adoption of more rules and processes. On January 31, 2017, the assigned Administrative Law Judge (Judge), Katherine MacDonald, issued a ruling scheduling a workshop for the purposes of considering consumer education and of implementation of the failure of service, and violations of rules, exceptions to the California LifeLine Program's 60-day discount transfer freeze duration.<sup>1</sup> The Communications Division held a workshop on February 8, 2017 (February Workshop).<sup>2</sup>

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<sup>1</sup> See <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M173/K115/173115321.PDF> (last visited February 21, 2017).

<sup>2</sup> See **February 8, 2017 Workshop Documents** at <http://www.cpuc.ca.gov/General.aspx?id=3045> (last visited February 21, 2017).

Under the current Program rules, California LifeLine participants can select their California LifeLine service provider and consumers can submit requests<sup>3</sup> to the Administrator to participate in the Program without restrictions. In D.17-01-032, the CPUC limited participants' ability to choose service providers and to switch between service providers. As a result, the Communications Division recommends taking a measured approach to implement the changes consistent with the Program's complexity and size.

## **BACKGROUND**

As of January 31, 2017, the Program had about 2.1 million California LifeLine participants. Between April 2016 and January 2017, the Program experienced approximately 1.5 million inter-carrier and intra-carrier transfers of which more than half (about 59%) occurred after 60 days. There are two types of discount transfers: (1) inter-carrier and (2) intra-carrier. An inter-carrier transfer occurs when the California LifeLine participant transfers the discounts from one California LifeLine service provider to another California LifeLine service provider. An intra-carrier transfer occurs when the California LifeLine participant changes telephone numbers within the same California LifeLine service provider. For both types of discount transfers, the California LifeLine service provider submits the request to the Administrator on behalf of the consumer and the Program assumes the consumer's awareness of, consent, and desire to transfer the discounts.

Prior to D.17-01-032 the Program enabled California LifeLine participants (participant) to transfer their California LifeLine discounts and approved eligibility status to another California LifeLine service provider or change their principal place of residence (residential or service address) at their discretion as long as the participant maintained their eligibility in all other respects.<sup>4</sup> None of the California LifeLine service providers currently impose or have previously imposed contracts, contract durations, or early termination fees on participants, which could have limited a participant's ability to transfer the California LifeLine discounts. Contracts, contract durations, or early termination fees for *pre-paid* telephone services would also seem counterintuitive given the nature of the service offering.

### *Impetus of Changes to Program Rules*

California State Assembly Member Bill Quirk authored Assembly Bill (AB) 2570, which Governor Edmund G. Brown signed into law on September 24, 2016.<sup>5</sup> AB 2570 directed the CPUC to adopt "a portability freeze rule" for the California LifeLine Program and authorized the CPUC the flexibility to develop detailed rules to implement AB 2570. AB 2570 did not specify what would be frozen per "a portability freeze rule." Typically, telephone numbers are "ported."

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<sup>3</sup> A service provider submits the request to the Administrator on behalf of a consumer.

<sup>4</sup> See GO 153 §§ 4.2.1.1 and 5.4.5.

<sup>5</sup> AB 2570 (Quirk) is codified at Public Utilities Code Section (Pub. Util. Code.) § 878.5.

However, for the Program, the act of transferring the California LifeLine discounts between California LifeLine service providers *predominantly do not* involve the “porting” of telephone numbers. California LifeLine wireless telephone service providers usually assign new telephone numbers when activating service. Accordingly, the CPUC adopted D.17-01-032 in compliance with this new state law.<sup>6</sup> As a result, the Program now imposes two core limitations on consumers.

*Core Limitation #1*

One core limitation requires a California LifeLine participant to remain with the same California LifeLine service provider for 60 days in order to continue to receive the California LifeLine discounted telephone services. This new requirement restricts California LifeLine participants’ ability to transfer their California LifeLine discounts between California LifeLine service providers. Completion of the discount transfer freeze duration or an approved exception to the discount transfer freeze enables the California LifeLine participant to transfer the discounts to a different California LifeLine service provider. Transferring the discounts to a different California LifeLine service provider restarts the 60-day clock. The discount transfer freeze effectively requires a participant to stay with the same California LifeLine service provider even if the telephone service offering is on a pre-paid basis.

In D.17-01-032, the CPUC also adopted five exceptions to the discount transfer freeze. These five exceptions would enable a California LifeLine participant to transfer the discounts between California LifeLine service providers prior to the end of the 60-day clock. The five types of exceptions are as follows:

1. A California LifeLine participant changes residential address;
2. A California LifeLine service provider imposes late fees for non-payment related to the supported service(s) greater than or equal to the monthly end-user charge for service;
3. A California LifeLine service provider ceases operation or otherwise fails to provide service;
4. An eligible telecommunications carrier (ETC) who is also a California LifeLine service provider is found to be in violation of the Federal Communications Commission’s (FCC) rules during the benefit year, and the participant is impacted by such violation; and
5. A California LifeLine service provider is found to be in violation of one or more of the CPUC’s or the California LifeLine Program’s rules, and the California LifeLine participant was impacted by such violation.

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<sup>6</sup> D.17-01-032 also continued the Program’s discounts and reimbursements for service connection charges for California LifeLine wireless telephone services. Moreover, the CPUC limited Program participation by eliminating some of the qualifying public assistance programs and by decreasing the income limit from about 150% to 135% of the Federal Poverty Guideline. Lastly, the CPUC added the Veterans and Survivors Pension Benefit Program as a qualifying public assistance program.

### Core Limitation #2

The second core limitation requires a consumer who submitted an enrollment request, in an attempt to receive California LifeLine wireless telephone services<sup>7</sup>, to wait a maximum of 30 days to submit another enrollment request to another service provider. This restricts consumers' ability to submit enrollment requests for California LifeLine wireless telephone services. The 30-day clock for the enrollment request freeze duration starts when the Administrator generates an application packet for a consumer or confirms that the request is an inter-carrier transfer request. The CPUC adopted three types of activities that would stop the enrollment request freeze duration, which are as follows:

1. The Administrator sends the final eligibility decision to the consumer;
2. The consumer or California LifeLine service provider cancels the enrollment request<sup>8</sup>; and
3. 30 days have passed since the Administrator generated the application packet or confirmed that the request is an inter-carrier transfer request.

As soon as one of these three activities occurs, the 30-day clock stops for the particular request.

## **DISCUSSION**

In accordance with § 4.2.2 of D.17-01-032, the Communications Division presents this Resolution which proposes specific requirements and a process (see the flow chart of the process below) to implement the exception when a California LifeLine service provider fails to provide California LifeLine telephone service.<sup>9</sup> Secondly, the Communications Division proposes a trigger for when to start the California LifeLine discount transfer freeze duration. Lastly, the Communications Division proposes the necessary components for educating consumers about the California LifeLine discount transfer freeze and the enrollment request freeze.

### **Requirements and Process for the Exception, California LifeLine Service Provider Fails to Provide California LifeLine Telephone Service**

#### Compliance with the Five Primary Elements for Implementing the Service Failure Exception

When developing its proposal the Communications Division considered California's unique position of having an Administrator to handle the enrollment process, consumers' preferred

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<sup>7</sup> In D.17-01-032, the CPUC adopted an enrollment request freeze only for California LifeLine wireless telephone services. However, the CPUC also opened the possibility of implementing an enrollment request freeze for California LifeLine wireline telephone services if California LifeLine wireline telephone service providers also wanted it.

<sup>8</sup> Either the Administrator or CAB can cancel enrollment requests when consumers contact them. CAB has access to the Administrator's database and Customer Tracking System to cancel the enrollment request as required in D.17-01-032.

<sup>9</sup> D.17-01-032 at 29.

method of contacting the Program, and the five primary elements<sup>10</sup> the CPUC identified for the service failure exception. The Communications Division proposes to comply with the five primary elements for implementing the service failure exception as follows:

1. A California LifeLine service provider shall be afforded the opportunity to resolve the service failure with the California LifeLine participant (i.e., Service Provider's Opportunity)
  - The existing practice by the Administrator and CAB already encourages consumers to try to work out the service failure with the existing service provider.
  - After a California LifeLine participant submits an Exception Order and the Administrator notifies the existing California LifeLine service provider of the Exception Order, the existing California LifeLine service provider has three calendar days to resolve the service failure. The California LifeLine participant has seven calendar days afterwards to submit the 1<sup>st</sup> Confirmation.
2. A California LifeLine participant must confirm that the California LifeLine service provider has failed to provide service (i.e., 1<sup>st</sup> Confirmation)
  - The participant contacts the Administrator or CAB by phone or going online<sup>11</sup> to confirm that the service failure still exists.
  - The Administrator and CAB may assist the participant in completing and submitting the 1<sup>st</sup> Confirmation on behalf of the participant.<sup>12</sup>
  - The Administrator and CAB must maintain a record of the 1<sup>st</sup> Confirmation in their databases for at least one year.<sup>13</sup>
  - If the participant fails to submit the 1<sup>st</sup> Confirmation in a timely manner, then the exception process stops. The participant would then need to restart the exception process.
3. If the California LifeLine service provider is unable to fix the service failure, the Administrator or CAB shall allow the California LifeLine participant to switch to a new California LifeLine service provider prior to the completion of the 60-day discount transfer freeze (i.e., Exception Order Approved)

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<sup>10</sup> *Id.*

<sup>11</sup> Launch of the online form may not coincide with the launch of the discount transfer freeze.

<sup>12</sup> This aspect relies on the interaction between the Administrator/CAB and the participant. It does not mean someone else aside from the participant can request and confirm the service failure exception.

<sup>13</sup> CAB currently retains call recordings for a year while the Administrator retains them for 1 month. After the call recording retention expires, the Administrator will retain the event of the expired call recording in its database for its contract duration. CAB currently retains the content in its database indefinitely.

- Once the California LifeLine participant submits the 1<sup>st</sup> Confirmation, the Exception Order can be approved. Then the Administrator waits for the 2<sup>nd</sup> Confirmation.
  - Approval of the Exception Order does not mean that the transfer of the discounts to a different service provider will occur. The Administrator will need to receive the transfer request from a different service provider. The Administrator will wait for the transfer request until the end of the discount transfer freeze duration.
4. A California LifeLine participant must confirm the change to another California LifeLine service provider (i.e., 2<sup>nd</sup> Confirmation)
    - The California LifeLine participant requests telephone service from a different service provider.
    - The participant's chosen service provider submits the transfer request on behalf of the participant to the Administrator.
  5. The Administrator or CAB must have the two confirmations from the participant to permit the change in California LifeLine service providers prior to the end of the discount transfer freeze duration (i.e., 1<sup>st</sup> and 2<sup>nd</sup> Confirmations)
    - The Administrator will only process the transfer<sup>14</sup> request for an existing Exception Order, and only after receipt of a valid and timely transfer request from a different service provider.

#### California LifeLine Participant's Four Main Responsibilities

The participant has four main responsibilities to receive an approval for the service failure exception: a) give the existing California LifeLine service provider an opportunity to resolve the service failure; b) order an exception from the Administrator or CAB by phone or going online, (i.e., Exception Order)<sup>15</sup>; c) after the "Service Provider's Opportunity" lapses, confirm that the service failure still exists; and d) confirm the desire to transfer the discounts to a different service provider – this would be accomplished by asking for telephone service from the participant's preferred service provider after which the participant's preferred service provider would submit the transfer request on behalf of the participant to the Administrator.

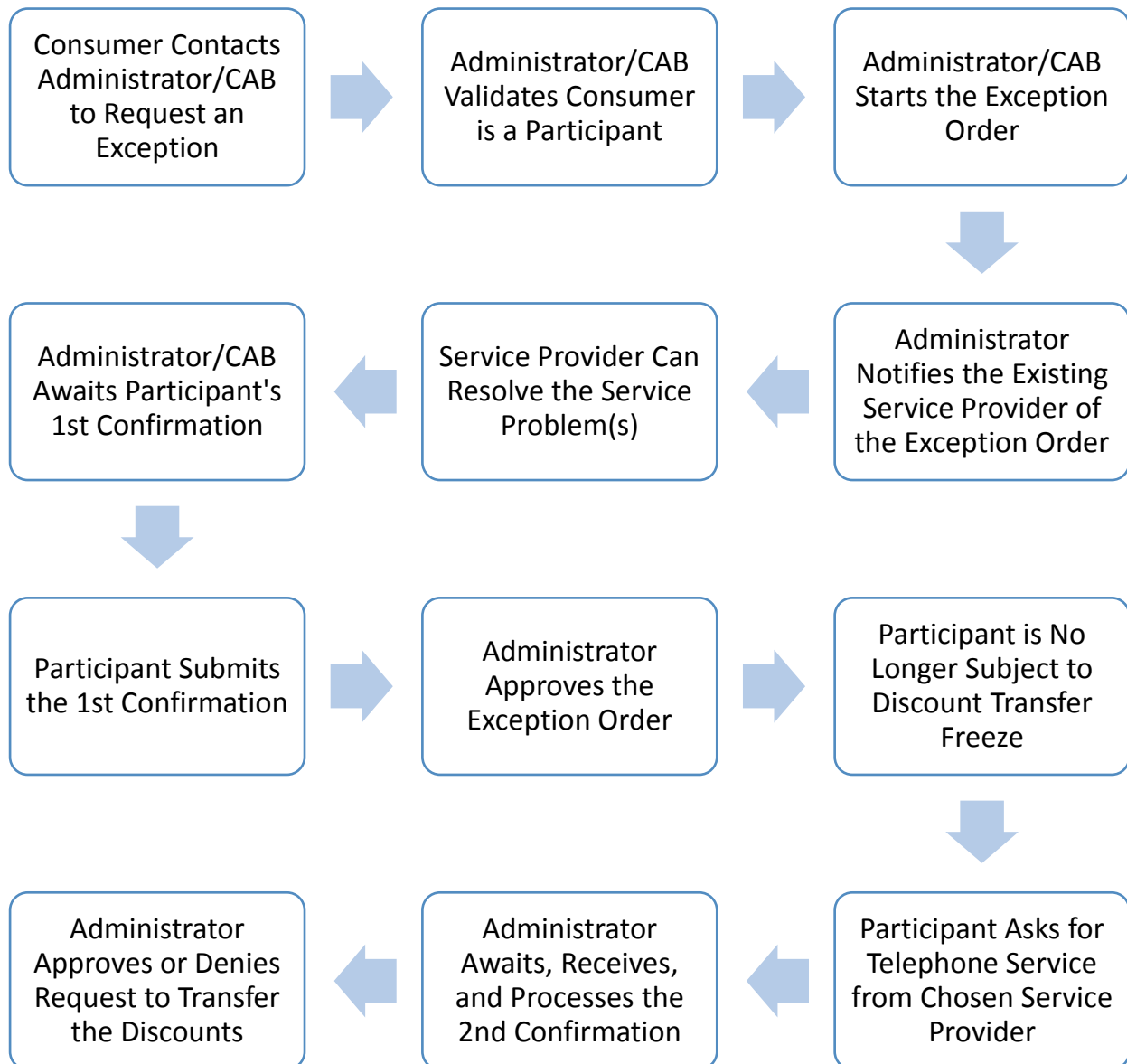
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<sup>14</sup> This process does not change how service providers currently submit disconnect, reconnect, new, update, and transfer requests.

<sup>15</sup> If the consumer fails to provide the personal information necessary for the Administrator or CAB to validate the consumer is a participant, then neither the Administrator nor CAB can start the Exception Order or give status information about the Exception Order. When the Administrator or CAB are contacted by a consumer, they do not immediately know that the consumer is a California LifeLine participant. A family member might contact the Administrator or CAB on behalf of the California LifeLine participant. To determine whether or not the consumer is a participant, the Administrator and CAB need to acquire personal information from the consumer and then try to find a match in the Administrator's database.

High Level Overview of the Process

Consumers may contact the Administrator and CAB by phone or online to submit a request for a service failure exception, to order a service failure exception, and/or to submit the 1<sup>st</sup> Confirmation. The Communications Division anticipates that most consumers will contact the Program by phone. However, enabling consumers to contact the Administrator and CAB by using an alternative method such as going online can address situations where the Administrator or CAB are unavailable. Additionally, if the consumer lacks a voice-grade connection, then reaching the Administrator or CAB via telephone may not be possible.



The CPUC gave the responsibility to the Administrator and to CAB to receive and evaluate requests for service failure exceptions. The Communications Division recommends that the Administrator be the primary recipient of the service failure exception requests in recognition of CAB's technical and resource limitations<sup>16</sup>. Nonetheless, the Administrator shall provide access and make the necessary changes to its database and Customer Tracking System to enable CAB to perform tasks including, but not limited to, the following:

- to evaluate requests for service failure exceptions;
- to track and record the status of exception orders and requests for service failure exceptions;
- to track the status of approved or denied discount transfers;
- to track and record the staff associated with service failure exceptions;
- to correct any mistakes in processing;
- to delink matched records;
- to track the relevant dates and submission method associated with transactions involving the service failure exceptions; and
- to log its activities.

The Communications Division's proposal attempts to facilitate the Administrator's and CAB's ability to specifically handle this type of exception. The Communications Division believes its recommended process is competitively neutral, consistent among all California LifeLine service providers, consumer-driven, and avoids reliance on service providers for information while making it simpler for the Administrator and CAB to resolve. The Communications Division also recognizes that circumstances may necessitate adjustments to the requirements and process set forth in this Resolution to handle the service failure exception to the discount transfer freeze. The Communications Division, in collaboration, with stakeholders can facilitate regularly scheduled reporting. If the Communications Division deems it necessary to change the requirements and process subsequent to this Resolution, then staff can issue and publish an administrative letter on the CPUC's Web site to notify stakeholders<sup>17</sup> at least 30 days in advance of the change(s) taking effect. This is consistent with the CPUC's previous delegation of authority to staff to implement the policies adopted in D.17-01-032.<sup>18</sup>

Moreover, this proposal does not change the existing process that allows the Administrator and CAB to direct a consumer to the service provider to resolve any service related issues, including

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<sup>16</sup> For example, CAB will route the requests for service failure exceptions that participants submit online to the Administrator's Web site.

<sup>17</sup> Stakeholders can include the California LifeLine Working Group, the California LifeLine Program's proceeding service list, and the California LifeLine Administrative Committee.

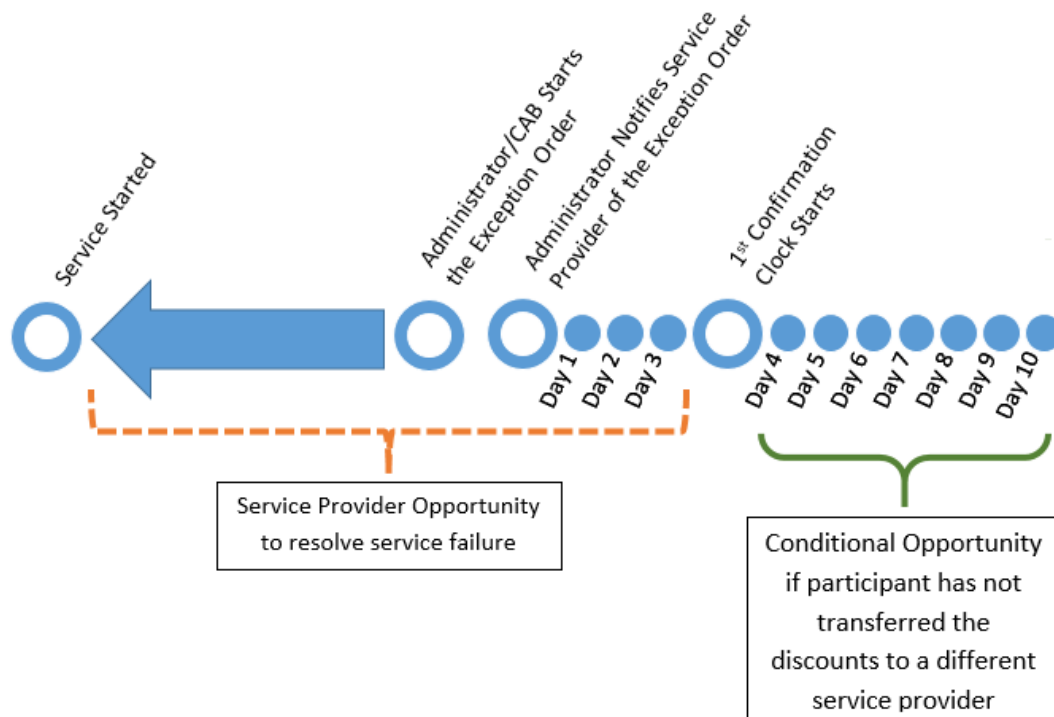
<sup>18</sup> See Conclusions of Law 60-62, 71, and 79 and Ordering Paragraphs 16, 21, 24, and 26 in D.17-01-032.

malfunction of a cell phone. CAB's existing practice is to encourage consumers to first work directly with their service providers when consumers indicate that there is a service related issue. Currently, the Administrator follows these steps when a consumer has a service related issue:

- Authenticate the caller to find a matching identity in the Administrator's database.
- If authenticated, then the Administrator can inform the caller of the specific service provider's contact information. The Administrator also directs the caller to call the service provider.
- If authentication fails and the handset works, then the Administrator informs the caller to dial 611.
- If authentication fails and the handset malfunctions or does not exist, then the Administrator asks for the billing zip code and provides the caller with a list of service providers who operate in the area and their contact information. The Administrator also informs the caller to contact the service providers on the list to identify the correct service provider.

Lastly, the Communications Division's proposal affords sufficient opportunity for California LifeLine service providers to resolve a consumer's claim of a service failure.

Visual Depiction of the Opportunity for Service Providers to Resolve a Consumer's Claim of a Service Failure



### Trigger for Starting the 60-Day Clock for the California LifeLine Discount Transfer Freeze

On September 22, 2016, the previously assigned Commissioner, Catherine J.K. Sandoval, and Judge MacDonald issued a ruling (Comment Ruling) requesting comments on a variety of topics and issued a data request to the California LifeLine wireless telephone service providers.<sup>19</sup> The Comment Ruling sought parties' feedback on which date and activity(ies) would trigger the start of the discount transfer freeze.<sup>20</sup> "Should the trigger for the start of the 60-day discount transfer freeze be the date on which the California LifeLine discounts started as determined by the California LifeLine Administrator? Should it be the application date<sup>21</sup> when a consumer expresses interest to be on California LifeLine? Should it be the decision date<sup>22</sup> on which the California LifeLine Administrator notifies the consumer and/or the California LifeLine provider of its eligibility decision?"<sup>23</sup> The Communications Division also sought parties' input on this particular topic during both the February Workshop and the workshop on October 14, 2016<sup>24</sup>.

At the February Workshop, there was consensus that the trigger for the start of the 60-day discount transfer freeze should be the start date of the California LifeLine discounts. The start date of the California LifeLine discounts depends on the type of enrollment request (application or transfer) and whether or not the California LifeLine service provider is subject to the Program's pre-qualification rules. Currently, all of the California LifeLine wireline telephone service providers are subject to the Program's pre-qualification rules.<sup>25</sup> Consequently, the date on which a consumer requests California LifeLine wireline telephone service serves as the starting point for the California LifeLine discounts for wireline telephone service.<sup>26</sup> In contrast, all of the California LifeLine wireless service providers offering pre-paid telephone services are exempt from the Program's pre-qualification rules.<sup>27</sup> As a part of this exemption, the CPUC required that the starting point for the California LifeLine discounts for pre-paid telephone service be *the latter* of either the date of the approval notification or the service activation date. Given that the Program requires activation of telephone service prior to receiving an

<sup>19</sup> See <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M167/K192/167192788.PDF> (last visited February 21, 2017).

<sup>20</sup> See question 17 in section 4.2 of Comment Ruling.

<sup>21</sup> See GO 153 § 2.4.

<sup>22</sup> See GO 153 § 2.20.

<sup>23</sup> See question 17 in section 4.2 of Comment Ruling.

<sup>24</sup> See October 14, 2016 Workshop Documents at <http://www.cpuc.ca.gov/General.aspx?id=3045> (last visited February 21, 2017).

<sup>25</sup> The CPUC established the Program's pre-qualification rules in D.0808029. The pre-qualification rules relate to the process by which California LifeLine applicants apply for California LifeLine service discount, but do not receive the California LifeLine discounts until their applications have been approved. Essentially, consumers have to first subscribe to basic telephone service on a retail basis, next apply for the Program's discounts, and then after receipt of an approved eligibility determination, the Program would refund the difference between the retail or regular rates and the California LifeLine discounted rates.

<sup>26</sup> See GO 153 §2.4.

<sup>27</sup> See §4.19 and Ordering Paragraphs 19-20 in D.1401036.

approval notification, from a practical and operational standpoint, the date of the approval notification<sup>28</sup> serves as the only possible start date of the California LifeLine discounts for pre-paid wireless telephone service.

The participant's corresponding Anniversary Date then falls on the one-year anniversary of when the California LifeLine discounts start:

- In the case of a California LifeLine wireline participant, it would be one year from when the consumer requested California LifeLine wireline telephone service.<sup>29</sup>
- For a California LifeLine wireless participant, it would be one year from the Administrator's approval notification.

The start date of the California LifeLine discounts also represents the date when the Program begins subsidizing the telephone service. Using the start date of the California LifeLine discounts as the trigger for the start of the 60-day discount transfer freeze duration is consistent with the requirement that the discount transfer freeze duration applies to consumers with approved eligibility status who are receiving the California LifeLine discounted telephone services.

Choosing the start date of the California LifeLine discounts as the trigger also acknowledges the difference in the basis for payment between wireline and wireless telephone service providers.<sup>30</sup> All of the California LifeLine wireline telephone service providers offer services on a post-paid basis and are subject to the Program's pre-qualification rules. In contrast, all of the California LifeLine wireless telephone service providers offer services on a pre-paid basis and have exercised their choice to waive the Program's pre-qualification rules.

The Communications Division recommends that the trigger for the 60-day discount transfer freeze be the start date of the California LifeLine discounts.

Parties sought clarification regarding the applicability and implementation date of the 60-day discount transfer freeze along with the corresponding consumer education efforts, and suggested that the rollout schedule be included in this resolution. The Communications Division has not launched the 60-day discount transfer freeze, but plans on doing so on June 1, 2017. With this June 1, 2017 deadline as the launch date, the 60-day discount transfer freeze would then be applicable for requests submitted on or after June 1, 2017 for California LifeLine discounted telephone service. The Communications Division does not plan on applying the 60-day discount transfer freeze for requests submitted prior to June 1, 2017 for California LifeLine

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<sup>28</sup> Receipt of a status code 53 from the Administrator does not constitute an approval notification.

<sup>29</sup> See GO 153 §2.1.

<sup>30</sup> See slide 10 in the February Workshop Presentation.

discounted telephone service. The 60-day discount transfer freeze would be applied on a going forward basis. The common date of June 1, 2017 will help reduce confusion, avoid varying freeze durations, and facilitate a smoother and easier implementation.

### **Consumer Education for the California LifeLine Discount Transfer Freeze**

In D.17-01-032, the CPUC stated that consumers should receive adequate information regarding our policies for transferring the California LifeLine discounts to enable participants to change their California LifeLine service providers, when justified.<sup>31</sup> The CPUC also required California LifeLine service providers to inform consumers of the Program's policies for transferring the California LifeLine discounts verbally prior to service initiation and in writing, including the annual notice.<sup>32</sup>

The Communications Division believes it is reasonable to only start disseminating information to consumers about the 60-day discount transfer freeze on June 1, 2017, which coincides with the June 1, 2017 launch date. Educating consumers before June 1, 2017 would cause confusion for consumers and for the Administrator, CAB, and service providers who may have not completed their staff training. Additionally, the Communications Division recognizes the limited staffing resources of the Administrator CAB, and service providers and the need to ensure a thorough and complete staff training and consumer education. To meet the June 1, 2017 launch date for the 60-day discount transfer freeze, the Administrator, CAB, and California LifeLine service providers would need to complete staff training by May 31, 2017.

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<sup>31</sup> See §4.2.5 at 31.

<sup>32</sup> See §4.2.6 at 32.

Based on feedback by various stakeholders, the Communications Division recommends these additional components for educating consumers:

|    | COMPONENT   | RATIONALE  |
|----|---|--|
| 1. | The Communications Division should develop easy-to-understand content within three weeks of this Resolution's effective date for all California LifeLine service providers to use.  | <ul style="list-style-type: none"><li>• Allows for ease of the review and approval process for materials</li><li>• Ensures implementation in a consistent and competitively-neutral manner</li></ul>   |
| 2. | The content should encourage consumers to utilize the Administrator as the primary contact to request an exception to the discount transfer freeze, to first attempt to resolve the service failure with the relevant California LifeLine service provider before seeking an exception to the discount transfer freeze, and to promptly confirm with the Administrator or CAB that a service failure still exists. The content should also inform consumers of the steps they need to take. | <ul style="list-style-type: none"><li>• All exception requests will be processed through the Administrator's database system. CAB will access that system to process any exception requests it receives.</li><li>• CAB has limited staff; and the Administrator can more easily adjust call center staffing needs as necessary</li><li>• Preserves existing practice by CAB and the Administrator to recommend that consumers first work directly with their service providers when there seems to be a service related issue</li><li>• Allows service providers the opportunity to resolve the service failure</li><li>• Reminds consumers of important deadlines and steps</li></ul> |
| 3. | The content should identify some examples of what would not constitute a failure of service.  | <ul style="list-style-type: none"><li>• Assist consumers' understanding</li><li>• Potentially decreases the volume of exception requests to the Administrator or to CAB</li></ul>  |

|    | COMPONENT  | RATIONALE  |
|----|--|--|
| 4. | All California LifeLine service providers include the content that the Communications Division develops in their confirmation notices <sup>33</sup> to all applicants, Web site(s) containing Program information, and terms and conditions. If the Communications Division deems that all California LifeLine service providers should include the content in more types of materials as identified in D.17-01-032 and in this Resolution, then the Communications Division can issue an Administrative Letter to accomplish the directive. | <ul style="list-style-type: none"> <li>• Ensures implementation in a consistent and competitively-neutral manner</li> <li>• Makes certain the content would be available more broadly</li> <li>• Allows for flexibility in administration</li> </ul> |
| 5. | The Administrator includes the content that the Communications Division develops in the application packets, approval letters, transfer letters, Web site, and in other materials as deemed necessary by the Communications Division.  | <ul style="list-style-type: none"> <li>• Ensures implementation in a consistent and competitively-neutral manner</li> <li>• Makes certain the content would be available more broadly</li> <li>• Allows for flexibility in administration</li> </ul> |
| 6. | The Administrator makes an outbound call or sends a text message to remind a participant of the need to confirm that the service failure still exists. Communications Division develops the reminder message and determines when it should be sent by the Administrator. <sup>34</sup>   | <ul style="list-style-type: none"> <li>• Reminds consumers of important deadlines</li> <li>• Potentially decreases the participant's likelihood of failing to submit the 1<sup>st</sup> Confirmation</li> </ul>                                      |
| 7. | Communications Division develops training and talking points for the Administrator and CAB for training purposes.  | <ul style="list-style-type: none"> <li>• Ensures implementation in a consistent and competitively-neutral manner</li> </ul>  |

<sup>33</sup> See GO 153 §4.1.3.

<sup>34</sup> Launch of these reminder messages may not coincide with the launch of the discount transfer freeze.

For training and educational purposes, the Communications Division proposes the following as some examples of what would NOT constitute as a failure to provide service:

- a) Another California LifeLine service provider is offering a better telephone device. If the telephone device works and the service has coverage where needed, then a “better” telephone device should not be considered a service failure.
- b) The participant wants a free upgrade of the telephone device provided by the California LifeLine service provider.<sup>35</sup>
- c) The participant breaks or otherwise damages the telephone device provided by the California LifeLine service provider, which renders the telephone device as non-operable.
- d) The participant’s dissatisfaction with the feature(s) of the service, the service rate(s), or the quality of customer service.<sup>36</sup>
- e) The participant loses the telephone device provided by the California LifeLine service provider.
- f) The telephone device provided by the California LifeLine service provider was stolen.
- g) The participant lacks understanding or knowledge to utilize the telephone device provided by the California LifeLine service provider.
- h) Confusion by the participant about the telephone service plan.











Identifying some of these instances beforehand assists in implementing the service failure exception to the discount transfer freeze. These examples are not meant to be exhaustive, i.e., there may be other examples. However, these examples provide some guidance to the Administrator and CAB in ascertaining the participant’s experience to enable the Administrator and CAB to provide the participant with the appropriate information and next steps. The Communications Division proposes adoption of the above examples of what would not constitute as a failure to provide service.

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<sup>35</sup> See GO 153 Appendix A-2 California LifeLine Wireless Telephone Service Element 5 requires that “All handset shall be available to participants on the same basis as the provider’s retail customers.”

<sup>36</sup> See GO 153 Appendix A-2 California LifeLine Wireless Telephone Service Element 13, which requires the provision of “...free, unlimited access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries...” See also GO 153 Appendix A-2 California LifeLine Wireless Telephone Service Element 20, which requires the provision of “...free, unlimited access to 611 for service provider billing and repair services...”

The Communications Division also plans to stagger the dissemination of consumer education materials for the 60-day discount transfer freeze.

| <b>START DATE FOR DISSEMINATING CONSUMER EDUCATION MATERIALS<br/>ABOUT THE 60-DAY DISCOUNT TRANSFER FREEZE</b> |   |  |   |
|--|---|--|---|
|  | <b>JUNE 1, 2017</b>   | <b>JULY 1, 2017</b>  | <b>BETWEEN JULY 1<br/>AND DECEMBER<br/>31, 2017</b>                                   |
| Administrator and CPUC Web Sites   |    |  |   |
| Insert in Application Packets  |    |  |   |
| Administrator Approval Letter  |    |  |   |
| Administrator Transfer Letter  |    |  |   |
| Talking Points for the<br>Administrator, CAB, and California<br>LifeLine Service Providers                     |   |  |   |
| California LifeLine Service<br>Providers' Terms and Conditions   |  |  |   |
| California LifeLine Service<br>Providers' Confirmation Notice  |   |  |   |
| California LifeLine Service<br>Providers' Web Site(s)  |   |  |   |
| California LifeLine Service<br>Providers' Annual Notice  |   |  |  |
| Administrator Reminder Outbound<br>Call or Text Message  |   |  |  |

### **Consumer Education for the Enrollment Request Freeze**

In D.17-01-032 the CPUC required California LifeLine wireless telephone service providers to inform consumers of the Program's newly adopted enrollment request freeze policy verbally prior to service initiation and in writing, including the annual notice.<sup>37</sup> The Communications Division believes it is also prudent to only start disseminating information to consumers about

<sup>37</sup> See §5.1 at 36.

the 30-day enrollment request freeze on June 1, 2017. This date coincides with the planned June 1, 2017 launch date for the 30-day enrollment request freeze. Educating consumers before June 1, 2017 would cause confusion for consumers and for the Administrator, CAB, and California LifeLine service providers who may have not completed their staff training. To meet the June 1, 2017 launch date for the 30-day enrollment request freeze, the Administrator, CAB, and California LifeLine service providers would need to complete staff training by May 31, 2017.

Based on feedback by various stakeholders, the Communications Division recommends these additional components for educating consumers:





|    | COMPONENT  | RATIONALE  |
|----|--|--|
| 1. | The Communications Division should develop easy-to-understand content within three weeks of this Resolution's effective date for all California LifeLine wireless telephone service providers to use.  | <ul style="list-style-type: none"><li>• Allows for ease of the review and approval process for materials</li><li>• Ensures implementation in a consistent and competitively-neutral manner</li></ul>   |
| 2. | The content should encourage consumers to utilize the Administrator as the primary contact to cancel an enrollment request.  | <ul style="list-style-type: none"><li>• CAB has limited staff while the Administrator can more easily adjust call center staffing needs as necessary</li></ul>   |
| 3. | All California LifeLine wireless telephone service providers include the content that the Communications Division develops in the California LifeLine service providers' confirmation notices <sup>38</sup> to all applicants, Web site(s) containing Program information, and intake modules <sup>39</sup> , and terms and conditions. If the Communications Division deems that all California LifeLine wireless telephone service providers should include the content in more types of materials as identified in D.17-01-032 and in this Resolution, then the Communications Division can issue an Administrative Letter to accomplish the directive. | <ul style="list-style-type: none"><li>• Ensures implementation in a consistent and competitively-neutral manner</li><li>• Makes certain the content would be available more broadly</li><li>• Allows for flexibility in administration</li></ul> |

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<sup>38</sup> See GO 153 §4.1.3.

|    | COMPONENT   | RATIONALE  |
|----|---|--|
| 4. | The Administrator includes the content that the Communications Division develops in the application packets, approval letters, transfer letters, Web site, and in other materials as deemed necessary by the Communications Division. | <ul style="list-style-type: none"> <li>• Ensures implementation in a consistent and competitively-neutral manner</li> <li>• Makes certain the content would be available more broadly</li> <li>• Allows for flexibility in administration</li> </ul> |
| 5. | Communications Division develops training and talking points for the Administrator and CAB for training purposes.   | <ul style="list-style-type: none"> <li>• Ensures implementation in a consistent and competitively-neutral manner</li> </ul>  |

The Communications Division also plans to stagger the dissemination of consumer education materials related to the 30-day enrollment request freeze.

| START DATE FOR DISSEMINATING CONSUMER EDUCATION MATERIALS<br>ABOUT THE 30-DAY ENROLLMENT REQUEST FREEZE |   |              |  |
|---|---|--------------|--|
|   | JUNE 1, 2017  | JULY 1, 2017 | BETWEEN JULY 1<br>AND DECEMBER<br>31, 2017 |
| Administrator and CPUC Web Sites  |  |              |  |
| Insert in Application Packets   |  |              |  |
| Administrator Approval Letter   |  |              |  |
| Administrator Transfer Letter   |  |              |  |

<sup>39</sup> California LifeLine wireless telephone service providers currently have intake modules conducted by phone, paper, or electronically. They use these intake modules to sign consumers up for telephone service. There was consensus at the February Workshop and in comments that consumers must receive information about the 30-day enrollment request freeze (and the 60-day discount transfer freeze) prior to and when they sign up for telephone service. Intake modules are also an important medium by which to impart the message regarding the 30-day enrollment request freeze.

| <b>START DATE FOR DISSEMINATING CONSUMER EDUCATION MATERIALS<br/>ABOUT THE 30-DAY ENROLLMENT REQUEST FREEZE</b> |   |                     |   |
|---|---|---------------------|---|
|   | <b>JUNE 1, 2017</b>   | <b>JULY 1, 2017</b> | <b>BETWEEN JULY 1<br/>AND DECEMBER<br/>31, 2017</b>                                   |
| Talking Points for the Administrator, CAB, and California LifeLine Wireless Telephone Service Providers         |    |                     |   |
| California LifeLine Wireless Telephone Service Providers' Terms and Conditions                                  |    |                     |   |
| California LifeLine Wireless Telephone Service Providers' Confirmation Notice                                   |    |                     |   |
| California LifeLine Wireless Telephone Service Providers' Web Site(s)   |    |                     |   |
| California LifeLine Wireless Telephone Service Providers' Intake Modules  |  |                     |   |
| California LifeLine Wireless Telephone Service Providers' Annual Notice   |   |                     |  |

## NOTICE

Notice of Resolution T-17564 was published in the CPUC's Daily Calendar on March 28, 2017 and distributed to the service list of Rulemaking 11-03-013, the Universal Lifeline Telephone Service (California LifeLine) Administrative Committee, and the California LifeLine Working Group.

## COMMENTS

In compliance with PU Code §311(g), a Notice of Availability of this draft resolution was served on March 28, 2017 to the parties of record in Rulemaking 11-03-013, the California LifeLine Administrative Committee, and the California LifeLine Working Group. Parties were asked to submit opening comments by April 12, 2017, and reply comments by April 17, 2017, in

accordance with the Notice of Availability dated March 28, 2017. On April 4, 2017, the Communications Division notified parties via e-mail that we would consider comments with lengths of more than five pages.

Eight sets of parties filed comments on this draft resolution. They are as follows:

- 1) AT&T
- 2) Office of Ratepayer Advocates
- 3) Center for Accessible Technology, The Greenlining Institute, and The Utility Reform Network
- 4) Telrite Corporation, i-wireless, LLC, Boomerang Wireless, LLC, TruConnect Communications, Inc., and AmeriMex Communications Corp.
- 5) Virgin Mobile USA, L.P.
- 6) Cox California Telcom, LLC
- 7) TracFone Wireless, Inc.
- 8) Calaveras Telephone Company; Cal-Ore Telephone Co.; Ducor Telephone Company; Foresthill Telephone Co.; Happy Valley Telephone Company; Hornitos Telephone Company; Kerman Telephone Co.; Pinnacles Telephone Co.; The Ponderosa Telephone Co.; Sierra Telephone Company, Inc.; The Siskiyou Telephone Company; Volcano Telephone Company; Winterhaven Telephone Company

Six sets of parties filed reply comments. They are as follows:

- 1) TracFone Wireless, Inc.
- 2) Center for Accessible Technology, The Greenlining Institute, and The Utility Reform Network
- 3) Cox California Telcom, LLC
- 4) AT&T
- 5) Virgin Mobile USA, L.P.
- 6) Telrite Corporation, i-wireless, LLC, Boomerang Wireless, LLC, TruConnect Communications, Inc., and AmeriMex Communications Corp.

The Communications Division considered the comments and reply comments filed, and made changes where appropriate.

## **SAFETY CONSIDERATIONS**

The California LifeLine Program provides discounted telephone service to qualified low-income households. Reliable telephone service is crucial to the most vulnerable residents in California, allowing residents, specifically California LifeLine participants, with access to 211 for essential community services, 311 for non-emergency municipal services, 511 for traffic and transportation information, 811 for public infrastructure underground location information,

and 911 to reach police, fire and emergency medical responders when fire, natural disasters, medical emergencies, or other crises occur.

In order to continue providing service to California LifeLine participants, the requirements and process for handling the failure to provide service exception to the discount transfer freeze attempts to mitigate the circumstance during which a California LifeLine participant may have a service related issue while trying to balance the requirement to give service providers the opportunity to resolve the service issue.

### **FINDINGS AND CONCLUSIONS**

1. Public Utilities Code Section § 878.5 directs the CPUC to adopt “a portability freeze rule” for the Program and gives the CPUC the flexibility to develop the rule.
2. In Decision 17-01-032, the CPUC adopted a 60-day discount transfer freeze for California LifeLine telephone services in compliance with Public Utilities Code Section § 878.5.
3. In Decision 17-01-032, the CPUC adopted an enrollment request freeze for California LifeLine wireless telephone services.
4. As of January 31, 2017, the California LifeLine Program had about 2.1 million California LifeLine participants.
5. The Communications Division hosted a workshop on February 8, 2017 to discuss the topics included in this Resolution.
6. The California LifeLine Program uses a third-party entity called the California LifeLine Administrator to handle the enrollment process unlike most of the other states and territories in the United States of America.
7. Consumers prefer to contact the California LifeLine Program by phone.
8. The California LifeLine Program offers discounted telephone services.
9. The Consumer Affairs Branch maintains call recordings for one year.
10. The Consumer Affairs Branch has limited staff; the California LifeLine Administrator can more easily adjust call center staffing needs as necessary.
11. The California LifeLine Administrator provides access to its database and Customer Tracking System to the Consumer Affairs Branch.
12. The California LifeLine Administrator and CAB have an existing process to direct a consumer to the service provider to resolve any service related issues, including malfunction of a cell phone.
13. Decision 17-01-032 requires the Communications Division to develop requirements and a process to implement the service failure exception to the 60-day discount transfer freeze for California LifeLine telephone service.

14. The 60-day discount transfer freeze applies to consumers with an approved eligibility status who are receiving the California LifeLine discounted telephone services.
15. Five primary elements for implementing the service failure exception to the 60-day discount transfer freeze for California LifeLine telephone services are:
  - a) A California LifeLine participant must confirm that the California LifeLine service provider has failed to provide service;
  - b) A California LifeLine service provider shall be afforded an opportunity to resolve the service failure with the California LifeLine participant;
  - c) If the California LifeLine service provider is unable to fix the service failure, the Administrator or CAB shall allow the California LifeLine participant to switch to a new California LifeLine service provider prior to the completion of the 60-day discount transfer freeze duration;
  - d) A California LifeLine participant must confirm the choice to change to another California LifeLine service provider; and
  - e) The Administrator or CAB must have the two confirmations from the participant to permit the change in California LifeLine service providers prior to the end of the 60-day discount transfer freeze duration.
16. The CPUC should adopt the requirements and the process in this Resolution to implement the service failure exception to the 60-day discount transfer freeze duration for compliance with the five primary elements the CPUC adopted in Decision 17-01-032.
17. The CPUC should adopt the 10 calendar days combined duration for the California LifeLine service provider to have an opportunity to resolve the service failure and for the participant to submit the 1<sup>st</sup> Confirmation.
18. All of the California LifeLine wireline telephone service providers are subject to the Program's pre-qualification rules.
19. For California LifeLine post-paid wireline telephone service, the California LifeLine discounts start on the date that a consumer requests the California LifeLine telephone service.
20. All of the California LifeLine wireless telephone service providers offering pre-paid telephone services are exempt from the Program's pre-qualification rules.
21. For California LifeLine pre-paid wireless telephone service, the California LifeLine discounts start on the date that the California LifeLine Administrator provides the approval notification.
22. The start date of the California LifeLine discount represents the date when the Program begins subsidizing the telephone service for the participant.
23. The CPUC should adopt the start date of the California LifeLine discounts as the trigger for the start of the 60-day discount transfer freeze duration.

24. The participant's Anniversary Date falls on the one-year anniversary of when the California LifeLine discounts start.
25. Consumers should receive adequate information about the California LifeLine discount transfer freeze and enrollment request freeze.
26. The CPUC should adopt the consumer education components in this Resolution for their consistency with the CPUC's objective to ensure consumers have adequate information about the 60-day discount transfer freeze and the 30-day enrollment request freeze.
27. The CPUC should adopt the examples listed in this Resolution of what would not constitute failures to provide service.
28. In Decision 17-01-032, the CPUC delegated authority to the Communications Division to develop the content that the California LifeLine service providers may use in their consumer education materials regarding the discount transfer freeze and enrollment request freeze.
29. In Decision 17-01-032, the CPUC delegated authority to its staff to sustain the activities required and to direct the Administrator to implement the policies and rules regarding the discount transfer freeze and the exceptions to the discount transfer freeze.
30. In Decision 17-01-032, the CPUC delegated authority to its staff to revise the administrative guidelines and processes required to implement Decision 17-01-032 and to determine the type and frequency of information that California LifeLine service providers and participants need to provide.
31. In Decision 17-01-032, the CPUC delegated authority to its staff to revise the administrative guidelines and processes to determine the type of information that California LifeLine service providers and consumers need to provide regarding the 30-day enrollment request freeze.
32. The Communications Division should have the flexibility to alter the requirements and the process as described in this Resolution to implement the service failure exception to the 60-day discount transfer freeze duration.
33. The Communications Division should have the flexibility to alter the consumer education components for the 60-day discount transfer freeze and the 30-day enrollment request freeze as described in this Resolution.
34. The Communications Division should issue and publish an administrative letter on the CPUC's Web site to notify stakeholders at least 30 days in advance of any changes to the requirements and the process included in this Resolution taking effect.
35. The 60-day discount transfer freeze and the 30-day enrollment request freeze are new Program limitations. CPUC staff should monitor the California LifeLine marketplace, Program participation, and consumer experiences and changing needs.

36. Providing staff with the flexibility to make administrative changes regarding the Program's discount transfer freeze, enrollment request freeze and consumer education is reasonable.

**THEREFORE, IT IS ORDERED** that:

1. The Consumer Affairs Branch, the California LifeLine Administrator, the California LifeLine participants, and the California LifeLine service providers must comply with the requirements and the process as described in this Resolution for the service failure exception to the 60-day discount transfer freeze duration for California LifeLine telephone service.
2. The trigger for the start of the 60-day discount transfer freeze duration shall be the start date of the California LifeLine discount as follows:
  - a) For California LifeLine post-paid wireline telephone service, the start date shall be the date that a consumer requests the California LifeLine telephone service.
  - b) For California LifeLine pre-paid wireless telephone service, the start date shall be the date that the California LifeLine Administrator provides the approval notification.
3. The Communications Division, the Consumer Affairs Branch, the California LifeLine Administrator, and the California LifeLine service providers must comply with the consumer education components for the 60-day discount transfer freeze and the 30-day enrollment request freeze as described in this Resolution.
4. The Consumer Affairs Branch, the California LifeLine Administrator, the California LifeLine participants, and the California LifeLine service providers shall use, as applicable, the examples of what would not constitute failures to provide service as described in this Resolution.
5. Recognizing that circumstances may necessitate adjustments to the requirements and the process set forth in this Resolution to handle the service failure exception to the 60-day discount transfer freeze, we confirm our previous delegation of authority to staff to implement the policies adopted in Decision 17-01-032. If the Communications Division deems it necessary to change the requirements and process subsequent to this Resolution, then staff may issue and publish an administrative letter on the CPUC's Web site to notify stakeholders at least 30 days in advance of the change(s).
6. Recognizing that circumstances may necessitate adjustments to the consumer education components set forth in this Resolution, we reaffirm our delegation of authority to staff to determine the type and frequency of information provided by California LifeLine service providers and participants. If the Communications Division deems it necessary to change the consumer education components subsequent to this

Resolution, then staff may issue and publish an administrative letter on the CPUC's Web site to notify stakeholders of the change(s).

7. The Communications Division shall launch both the 60-day discount transfer freeze and the 30-day enrollment request freeze on June 1, 2017.
8. The Communications Division shall stagger the public dissemination of consumer education materials related to both the 60-day discount transfer freeze and the 30-day enrollment request freeze. Public dissemination of consumer education materials to consumers shall begin on June 1, 2017.
9. The Consumer Affairs Branch, the California LifeLine Administrator, and the California LifeLine service providers must complete their staff training by May 31, 2017.

This Resolution is effective today.

I hereby certify that the California Public Utilities Commission adopted this Resolution at its regular meeting on April 27, 2017.

/s/ Timothy J. Sullivan

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TIMOTHY J. SULLIVAN  
Executive Director

MICHAEL PICKER  
President  
CARLA J. PETERMAN  
LIANE M. RANDOLPH  
MARTHA GUZMAN ACEVES  
CLIFFORD RECHTSCHAFFEN  
Commissioners