

COM/GSH/jnf

Date of Issuance 6/9/2023

Decision 23-06-003 June 8, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Update the California Universal
Telephone Service (California
LifeLine) Program.

Rulemaking 20-02-008

**DECISION APPROVING PILOT PROGRAMS TO LEVERAGE
FEDERAL AFFORDABLE CONNECTIVITY PROGRAM FUNDS**

TABLE OF CONTENTS

Title	Page
DECISION APPROVING PILOT PROGRAMS TO LEVERAGE FEDERAL AFFORDABLE CONNECTIVITY PROGRAM FUNDS.....	1
Summary	2
1. Background	3
2. Issues Before the Commission.....	6
3. Whether to Provide California Lifeline Subsidies for Service Plans that Receive ACP Discounts on a Permanent or Pilot Basis	6
4. How to Design Pilot Programs to Leverage ACP Support.....	15
4.1. Pilot Size, Duration, and Program Rules	16
4.2. Wireline Pilot Program Design.....	19
4.2.1. Wireline Pilot Standalone Broadband and Bundled Service Plans	19
4.2.2. Wireline Pilot Minimum Service Standards	20
4.2.3. Wireline Pilot Subsidies and Co-Payments.....	25
4.2.4. Wireline Affiliate Participation Requirements	28
4.3. Wireless Pilot Program Design.....	29
4.3.1. Wireless Pilot Minimum Service Standards, Monthly Subsidy, Co-Payments, and Devices	29
4.3.2. Wireless Pilot Affiliate Partnerships	36
5. Pilot Reporting Requirements	37
6. Subsidies for Non-Pilot Service Plans	40
7. Summary of Public Comment	42
8. Comments on Proposed Decision.....	42
9. Assignment of Proceeding	45
Findings of Fact.....	45
Conclusions of Law	47
ORDER	54

Attachment A – General Order 153 Adopted Modifications

**DECISION APPROVING PILOT PROGRAMS TO LEVERAGE
FEDERAL AFFORDABLE CONNECTIVITY PROGRAM FUNDS**

Summary

This decision approves two pilot programs for California Universal Telephone Service Program (California LifeLine) participants to leverage the federal Affordable Connectivity Program (ACP) to access affordable broadband service.

ACP is a federal program that provides a discount of up to \$30 per month for broadband services to qualifying low-income households and a discount of \$75 per month for households on qualifying Tribal lands. Californians who meet the eligibility requirements for California LifeLine and the federal Lifeline program are also eligible for ACP.

California provides the highest supplemental subsidies for federal Lifeline services in the nation. California LifeLine currently provides up to \$17.90 per month in supplemental support for service plans that receive \$9.25 per month in federal Lifeline support, for a total subsidy of up to \$27.15 per month.

This decision approves two pilot programs that leverage ACP funds to test new approaches to providing high-quality broadband service to California LifeLine participants until the sooner of (a) two years after the effective date of this decision, or (b) the date that ACP concludes.

This decision approves a wireline broadband pilot program that leverages ACP funds to test (a) whether allowing affiliates of California LifeLine providers to offer broadband services to California LifeLine participants will increase program participation by internet service providers while maintaining compliance with the program's rules, (b) whether California LifeLine can ensure that participants with standalone broadband service can make 911 calls through

a separate service plan, and (c) whether offering a California LifeLine subsidy for standalone wireline broadband service will increase program participation. Pilot participants may access up to \$57.15 (and up to \$127.15 on Tribal lands) of combined federal and state support for standalone broadband or bundled broadband with Voice over Internet Protocol service plans.

This decision also approves a wireless broadband pilot program that leverages ACP funds to test how much mobile and hotspot data California LifeLine participants would use if they had unlimited data, including a high allotment of high-speed mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering high-speed mobile data and hotspot data. Pilot participants may access up to \$57.15 (and up to \$127.15 on Tribal lands) of combined federal and state support for wireless service plans.

This proceeding remains open.

1. Background

The Moore Universal Telephone Service Act (Moore Act) established the California Universal Telephone Service Program (California LifeLine). The Moore Act was enacted in 1987 to “offer high quality basic telephone service at affordable rates to the greatest number of California residents.”¹

Over time, the California Public Utilities Commission (Commission) and the California Legislature expanded the purpose of the Moore Act to include offering additional basic communications services, including basic wireless and broadband services. Public Utilities (Pub. Util.) Code Section 871.7(c) directs the Commission to investigate “the feasibility of redefining universal telephone service by incorporating two-way voice, video and data services as components

¹ Pub. Util. Code Section 871.7(a).

of basic service” and, to the extent feasible, “promote equity of access to high-speed communications networks, the Internet, and other services to the extent that those services provide social benefits.”²

In Decision (D.) 14-01-036, the Commission incorporated wireless voice and data services into California LifeLine. In D.20-10-006, the Commission concluded that California LifeLine should offer subsidies for fixed broadband service bundled with fixed Voice over Internet Protocol (VoIP) service that meets the requirements of D.16-10-039.

The Federal Communications Commission (FCC) established the federal Lifeline subsidy program in 1985 to provide discounts on phone service for low-income Americans. In 2016, the FCC modified federal Lifeline support levels to shift support from voice services to broadband services.³ In a series of decisions, the Commission authorized California LifeLine to replace all or a portion of reduced federal Lifeline support for wireline voice participants.⁴

In February 2021, the FCC adopted the Emergency Broadband Benefit Program (EBB) Report and Order to support broadband services and connected devices to help low-income households stay connected during the COVID-19 pandemic.⁵

The 2021 Infrastructure Investment and Jobs Act replaced the EBB Program with a new broadband affordability program, the Affordable

² Pub. Util. Code Section 871.7(c). Pub. Util. Code Section 709(d) also directs the Commission “[t]o assist in bridging the ‘digital divide’ by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income, and disabled Californians.”

³ 31 FCC Rcd 3962 (2016) (2016 FCC Lifeline Order).

⁴ See D.20-02-004, D.20-02-042, D.20-10-006, and D.21-09-023.

⁵ 36 FCC Rcd. 4612 (2021).

Connectivity Program (ACP). In January 2022, the FCC adopted Order FCC 22-2 to adopt rules for ACP.

On March 21, 2022, the assigned Administrative Law Judge (ALJ) issued a ruling (March 2022 Ruling) to request comments on a proposal by the Commission's Communications Division (2022 Staff Proposal) that recommended how to apply California LifeLine subsidies to service plans that receive ACP discounts. Parties filed opening comments on the 2022 Staff Proposal on April 14, 2022 and replies on April 28, 2022.

On April 21, 2022, the Commission's Communications Division issued an administrative letter to address the submission of advice letters and reimbursement of claims for service plans that receive ACP discounts. The administrative letter set forth interim rules for submission of advice letters and reimbursement of claims for service plans that receive ACP discounts while the Commission considered whether to allow combining the ACP discount with California LifeLine subsidies.

On July 7, 2022, the assigned Commissioner issued a proposed decision to address the 2022 Staff Proposal. On October 5, 2022, the assigned Commissioner withdrew the proposed decision to continue deliberation of how to address additional federal support for California LifeLine service plans.

On October 14, 2022, the assigned Commissioner issued a ruling to (a) invite parties to comment on a potential pilot to leverage ACP funding and (b) affirm that the Communications Division's administrative letter, dated April 21, 2022, would remain in effect until a subsequent decision on whether to allow combining the ACP discount with California LifeLine subsidies.

On February 22, 2023, the assigned ALJ issued a ruling to (a) direct wireline service providers to provide data regarding broadband service

subscription levels and prices, and (b) request party comments on a proposed pilot to leverage ACP funds to provide affordable broadband services to California LifeLine participants. Parties filed opening comments on March 13, 2023 and reply comments on March 23, 2023.

This matter was submitted on March 23, 2023 upon the filing of reply comments on the ALJ ruling issued on February 22, 2023.

2. Issues Before the Commission

The issues before the Commission are as follows:

Whether the Commission should provide California LifeLine subsidies for service plans that receive ACP discounts on a permanent or pilot basis;

If so, how should the Commission design California LifeLine pilot programs or a permanent program to leverage ACP discounts to provide affordable broadband service; and

Whether the California LifeLine service plans that receive an ACP subsidy should be eligible for reimbursements of administrative fees and service connection fees.

3. Whether to Provide California Lifeline Subsidies for Service Plans that Receive ACP Discounts on a Permanent or Pilot Basis

The 2022 Staff Proposal recommended adopting a policy to adjust California LifeLine subsidies for service plans that receive federal ACP subsidies based on the following policy criteria and factual assertions:

- California provides the highest supplemental subsidies for federal Lifeline services in the nation.
- California LifeLine subsidies should be designed to ensure that ratepayer funds are used prudently and in a fiscally sound manner.⁶

⁶ D.14-01-036 at 37.

- California LifeLine should leverage new federal funding and should focus on meeting needs unmet by federal programs.
- Current California LifeLine subsidies combined with federal Lifeline subsidies are sufficient to provide participants with no-cost plans for wireless voice service bundled with broadband service that meets California LifeLine's minimum service standards.
- All federal Lifeline participants are eligible for the federal ACP program, which provides a \$30.00 discount for any broadband plan. When combined with the \$9.25 federal Lifeline subsidy, participants in both the federal ACP and federal Lifeline programs will receive \$39.25 of federal support for qualifying broadband service plans.
- Wireless plans offered at no-cost nationwide by California LifeLine providers with either the ACP discount alone (\$30.00) or the ACP discount combined with the federal Lifeline discount (\$39.25) provide a minimum of 8.5 gigabytes (GB) of data, a median of 12.5 GB, and a maximum of unlimited data as of March 2022.
- 81% of California LifeLine participants receive wireless voice bundled with data service. Less than 1% of California LifeLine participants apply their California LifeLine subsidy to a wireline service plan that includes broadband service.
- Wireline voice service bundled with broadband that meets federal Lifeline's minimum service standards generally costs more than the combined support provided by federal ACP and Lifeline subsidies and California LifeLine subsidies.

The 2022 Staff Proposal initially recommended a permanent approach to addressing wireless and wireline service plans that receive an ACP discount. The March 2022 Ruling sought party comments on the 2022 Staff Proposal.

On April 14, 2022, the following parties filed opening comments on the March 2022 Ruling: AT&T Services, Inc. (AT&T); CTIA; California Emerging Technology Fund (CETF); California Broadband & Video Association, formerly known as the California Cable & Telecommunications Association (Cal Broadband), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates); National Lifeline Association (NaLA)⁷; The Utility Reform Network (TURN), the Greenlining Institute (GLI), and the Center for Accessible Technology (CforAT) (together, TURN/GLI/CforAT); and TracFone Wireless, Inc. and Cellco Partnership, dba Verizon Wireless (together, TracFone/Verizon). On April 28, 2022, CETF, CTIA, NaLA, the Small LECs⁸, TURN/GLI/CforAT, and TracFone/Verizon filed reply comments on the March 2022 Ruling.

On October 14, 2022, the assigned Commissioner issued a ruling (ACO Ruling) to request party comments on a potential pilot program to leverage the ACP discount to test an approach to providing a bundled service plan that includes voice service and sufficient wireline or wireless broadband service to meet household needs. The ACO Ruling also requested party comments on allowing California LifeLine service providers to partner with affiliated internet

⁷ NaLA's California LifeLine wireless service provider members include Boomerang Wireless, LLC, Amerimex Communications Corp., American Broadband & Telecommunications Company, Global Connection Inc. of America, i-wireless, LLC, and TruConnect Communications, Inc.

⁸ The Small LECs consist of Cal-Ore Telephone Co., Happy Valley Telephone Company, Sierra Telephone Company, Inc., Calaveras Telephone Company, Ducor Telephone Company, Hornitos Telephone Company, The Siskiyou Telephone Company, Kerman Telephone Co., Pinnacles Telephone Co., The Ponderosa Telephone Co., Volcano Telephone Company, Winterhaven Telephone Company, and Foresthill Telephone Co.

service providers that are not eligible to participate in California LifeLine to provide broadband service through a pilot program.

On November 30, 2022, the following parties filed opening comments on the ACO Ruling: CforAT, NaLA, Cal Advocates, the Small LECs, TracFone/Verizon, and TURN and GLI (together, TURN/GLI). On or before December 30, 2022, the following parties filed reply comments on the ACO Ruling: Cal Broadband, CforAT, Cal Advocates, GLI, NaLA, the Small LECs, TURN, TracFone/Verizon, and TruConnect Communications, Inc. (TruConnect).

Each party that commented on the ACO Ruling either supported a pilot to test combining ACP and California LifeLine discounts or advocated to allow providers to combine these discounts on a permanent basis.

TracFone/Verizon, TURN/GLI, CforAT, and Cal Advocates each supported a pilot program. TracFone/Verizon proposed a wireless pilot program to help the Commission determine how many California LifeLine customers need unlimited mobile data plans.⁹

TURN/GLI supported pilot programs for both wireless and wireline service. TURN/GLI asserted that a wireless pilot could be a good vehicle to test LifeLine subscriber usage patterns when provided with a high-speed unlimited mobile data plan. TURN/GLI recommended considering whether providers need all three subsidies to meet the communications needs of low-income consumers, and whether ratepayer funds may be used more efficiently by encouraging consumers to use their California LifeLine and federal benefits separately.¹⁰

⁹ TracFone/Verizon's opening comments on the ACO Ruling.

¹⁰ TURN/GLI's opening comments on the ACO Ruling.

CforAT supported both a wireless pilot and a wireline pilot to answer three types of questions. First, whether the combined subsidies will result in affordable service for low-income households. Second, whether the combined subsidies greatly exceed the cost of providing service and allow providers to collect unreasonably high revenues. Third, whether the pilot advances the goals of California LifeLine.¹¹

Cal Advocates supported a pilot to test a California LifeLine subsidy for standalone broadband service. Cal Advocates argued that a wireless pilot is not needed because the ACP and federal Lifeline subsidies are sufficient to cover the wireless needs of customers without California LifeLine support. In contrast, customers must make co-payments for wireline broadband service after applying federal subsidies, especially in high-cost locations. Cal Advocates argued that California LifeLine should test a subsidy for standalone wireline broadband plans so that customers will not be required to purchase voice service they may not need.¹²

NaLA and TruConnect argued that a pilot would create unnecessary delays and that no pilot program is necessary because California LifeLine successfully allowed stacking of EBB and federal Lifeline subsidies with California LifeLine subsidies.¹³

In reply to NaLA's comments, GLI responded that setting a higher minimum service standard for pilot service plans is necessary to obtain useful data. GLI noted that some ACP-eligible wireless service plans only offered 5 GB

¹¹ CforAT's opening comments on the ACO Ruling.

¹² Cal Advocates' opening comments on the ACO Ruling.

¹³ NaLA's opening comments and reply comments on the ACO Ruling; TruConnect's reply comments on the ACO Ruling.

of data per month. Further, multiple providers offered service plans with 14 GB of data per month or less when allowed to combine EBB, California LifeLine, and federal Lifeline discounts.¹⁴

The Commission has not tested California LifeLine subscriber usage patterns when customers are provided high allotments of high-speed mobile data or hotspot data. When the Commission previously allowed service providers to combine federal EBB subsidies with California LifeLine and federal Lifeline subsidies, the Commission did not set a minimum service standard for participating service plans. While some of the California LifeLine service plans with EBB subsidies purported to provide unlimited mobile data, mobile data speeds may have been reduced after a participant used a certain amount of data each month. Further, these service plans may not have included hotspot data.

We find that a wireless pilot program is necessary to collect sufficient data to determine how much mobile and hotspot data California LifeLine participants would use if they had unlimited high-speed mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering high-speed mobile data and hotspot data.

NaLA also argued that the Commission must authorize stacking of California LifeLine subsidies with the ACP discount on a permanent basis to avoid conflict with Order FCC 22-2. NaLA argued that California cannot elect to not provide state subsidies for California LifeLine service plans that receive an ACP discount because (i) Order FCC 22-2 requires an ACP provider to offer an ACP discount on any service plan that it offers, and (ii) Order FCC 22-2 specifies

¹⁴ GLI's reply comments on the ACO Ruling.

that states can apply their subsidies before or after the application of the ACP discount.¹⁵

Prohibiting stacking of the California LifeLine subsidy with the ACP discount would not affect an ACP provider's ability to comply with Order FCC 22-2. An ACP provider may offer the ACP discount on California LifeLine service plans regardless of whether California offers a specific support amount for these service plans. Further, while the ACP Order permits a state to apply its supplemental subsidies before or after the ACP discount, it does not require a state to provide supplemental subsidies with an ACP discount.

It is reasonable to authorize a wireless pilot program to test how much mobile and hotspot data California LifeLine participants would use if they had unlimited mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering high-speed mobile data and hotspot data.

The Small LECs opposed a wireline pilot that limits the number of participants or providers because it would be unnecessarily restrictive and prevent some Californians from receiving the benefits of combining subsidies. The Small LECs strongly supported providing California LifeLine subsidies for standalone wireline broadband service on a permanent basis immediately. The Small LECs also strongly supported allowing internet service provider (ISP) affiliates of California LifeLine providers to offer a standalone wireline broadband service since many of their members provides broadband service through an affiliate.¹⁶

¹⁵ NaLA's opening comments on March 2022 Ruling.

¹⁶ Opening comments and reply comments on the ACO Ruling of the Small LECs.

TURN replied that the Commission should not authorize a permanent standalone broadband subsidy yet, arguing that the Moore Act requires California LifeLine service to include voice service.¹⁷

CforAT/TURN recommended that the Commission require any pilot offering to include VoIP or other voice service as a standard feature since customers without voice service cannot call emergency services. CforAT/TURN argued that Pub. Util. Code Section 873(a)(1) requires that California LifeLine “meet minimum communications needs” and that the ability to originate and receive calls is a critical component of California LifeLine.¹⁸

GLI supported a standalone broadband option for the wireline pilot if participating consumers certify that they have alternative access to 911 calls through a separate service plan, such as a wireless service plan. GLI argued that the pilot should allow low-income consumers to choose the service option that best fits their needs.¹⁹ The Commission has not previously tested either providing California LifeLine subsidies for standalone wireline broadband service or allowing affiliates of California Lifeline providers to receive subsidies. Each of these new elements would require testing and evaluation before we consider authorization on a permanent basis.

Further, providing California LifeLine subsidies for standalone broadband service would be a major departure from Commission decisions. In D.20-10-006, the Commission concluded that California LifeLine should offer subsidies for fixed broadband service bundled with fixed VoIP service that meets the requirements of D.16-10-039. In D.20-10-006, the Commission also declined to

¹⁷ TURN’s reply comments on the ACO Ruling.

¹⁸ CforAT/TURN’s opening comments on the ALJ ruling issued on February 22, 2023.

¹⁹ GLI’s reply comments on the ALJ ruling issued on February 22, 2023.

offer California LifeLine subsidies for standalone fixed broadband service because voice services remain important for connecting participants to emergency services.²⁰ The Commission should test a standalone broadband option before deciding whether to authorize a permanent California LifeLine subsidy for this service.

The Commission should also test whether offering a California LifeLine subsidy for standalone wireline broadband service will increase program participation. The 2020 Staff Proposal found that less than 1% of California LifeLine participants apply their California LifeLine subsidy to a wireline bundled service plan that includes voice and broadband service, while 81% of participants subscribe to a wireless bundled service plan that includes voice and mobile data. It is worth testing a new approach to delivering wireline broadband service to California LifeLine participants.

It is reasonable to authorize a wireline pilot program to test (a) whether allowing ISP affiliates of California LifeLine providers to offer broadband services to California LifeLine participants will increase program participation while maintaining compliance with the program's rules, (b) whether California LifeLine participants that select standalone wireline broadband service can make 911 calls through a separate service plan, and (c) whether offering a California LifeLine subsidy for standalone wireline broadband service will increase program participation.

²⁰ D.20-10-006 at 18-19.

4. How to Design Pilot Programs to Leverage ACP Support

The ACO Ruling requested comments on several key pilot design issues, including:

- Should the Commission authorize a pilot to test approaches to providing bundled service plans that provide sufficient wireline or wireless broadband service to meet household needs?
- What is the appropriate monthly California LifeLine specific support amount (SSA) that the pilot should offer to allow participants to stack on top of the federal Lifeline and ACP subsidies?
- Should the Commission limit the number of pilot participants?
- What pilot duration should the Commission authorize?
- Should the Commission define what is an affordable co-payment or pre-payment for the pilot program for wireless and/or wireline service?

On February 22, 2023, the assigned ALJ issued a ruling (2023 Ruling) to request additional comments on two pilot program proposals (one for wireline service, one for wireless service) to leverage federal ACP funds to provide affordable broadband service to California LifeLine participants (2023 Proposal). The 2023 Ruling proposed that service providers would elect to participate in a pilot program by filing a Tier 2 advice letter (Pilot Election Advice Letter).

On March 13, 2023, the following parties filed opening comments on the 2023 Ruling: Cal Advocates, Cal Broadband, NaLA, Small LECs, TURN/CforAT, and TracFone/Verizon. On March 22, 2023, the following parties filed reply comments on the 2023 Ruling: Cal Advocates, Cal Broadband, GLI, NaLA, Small LECs, TracFone/Verizon, and TURN/CforAT.

4.1. Pilot Size, Duration, and Program Rules

The October 2022 Ruling asked parties whether the Commission should limit the number of pilot participants. TracFone, NaLA, Small LECs, TURN, and GLI opposed limiting the number of pilot participants or pilot service providers.²¹ GLI asserted that it is appropriate to maximize the number of pilot subscribers if the Commission sets strong minimum speed and data standards for the pilot plans.²² No party supported a limit to the number of pilot participants.

We agree that it is reasonable to not limit the number of customers or service providers that participate in the wireline or wireless pilot.

The October 2022 Ruling also asked parties what pilot duration the Commission should authorize. TracFone, NaLA, and Small LECs argued that the pilot should begin as soon as possible. TracFone, NaLA, Small LECs, and CforAT recommended that the pilots terminate when ACP funds are no longer available.²³ TURN/GLI recommended that the pilots terminate at the sooner of two years or when ACP funds are no longer available.²⁴ TURN argued that a sunset date is necessary for the pilots to support evaluation of the pilot and cease unsuccessful pilot elements and their impact on public purpose funds.

Generally, we agree with parties that the pilots should begin as soon as feasible and conclude when ACP concludes. However, we acknowledge that the wireline pilot program may continue to provide benefits to participants and

²¹ Opening comments of TracFone, NaLA, Small LECs, TURN/GLI on the October 2022 Ruling; Reply comments of TracFone, NaLA, TURN, and GLI on the October 2022 Ruling.

²² GLI's reply comments on the October 2022 Ruling.

²³ Opening comments of TracFone, NaLA, Small LECs, and CforAT on the October 2022 Ruling.

²⁴ TURN/GLI's opening comments on the October 2022 Ruling; TURN's reply comments on the October 2022 Ruling.

useful data to California LifeLine after ACP concludes. We also agree with TURN that the Commission should specify that the pilots will conclude within two years at the latest. We will also address the potential for the ACP to be replaced by a successor program during this two-year pilot period. It is reasonable to conclude the pilots on the date that is the sooner of (a) two years after the effective date of this decision, or (b) on the date that ACP concludes. The assigned Commissioner or assigned ALJ may issue a ruling to extend the pilot programs to a date no later than two years after the effective date of this decision if ACP is replaced by a successor federal subsidy program. The assigned Commissioner or assigned ALJ may extend the wireline pilot program beyond the conclusion of ACP to a date no later than two years after the effective date of this decision, regardless of whether the ACP is replaced by a successor federal subsidy program. An extension ruling may not change the California LifeLine subsidy provided through the pilot program or replace the loss of the ACP discount.

The General Order (GO) 153 requirement to provide California LifeLine customers with at least 30 days' notice before discontinuing service or making service terms more restrictive will apply to all pilot service plans.

It is reasonable to require each wireless pilot service provider to (i) propose in its Pilot Election Advice Letter a replacement California LifeLine service plan that pilot participants will receive upon the conclusion of the pilot program, (ii) inform each pilot customer of the terms of the replacement California LifeLine service plan that the customer will receive upon the conclusion of the pilot program when the customer enrolls in the pilot, and (iii) provide pilot participants at least 30 days' notice before transitioning pilot participants to standard California LifeLine service plans at the conclusion of the

pilot program. A service provider may propose to modify a replacement wireless service plan through a subsequent Tier 1 advice letter, so long as the replacement plan does not increase customer co-payments or reduce customer benefits.

It is reasonable to require each wireline pilot service provider to (i) obtain each pilot customer's affirmation at the time of enrollment that the customer is aware that they will no longer receive the ACP subsidy or the California LifeLine subsidy when the pilot program concludes, and (ii) provide pilot customers at least 30 days' notice before increasing a wireline pilot participant's bills.

The October 2022 Ruling also asked parties whether to exempt the pilot programs from certain rules of GO 153.

TracFone/Verizon and TURN/GLI recommended that the Commission administer the pilot programs in accordance with California LifeLine rules and procedures with limited exceptions.²⁵ NaLA and the Small LECs urged the Commission to minimize administrative burdens of providers participating in the pilot programs by aligning pilot procedures with existing California LifeLine procedures.²⁶

The Commission should apply all rules and procedures of California LifeLine and GO 153, except as specifically provided in this decision, to the pilot programs authorized by this decision.

Cal Broadband commented that participation of service providers in the pilot programs should be voluntary.²⁷ No party argued that participation should be mandatory. We clarify that California LifeLine service providers are not required to participate in either of the pilot programs authorized by this decision.

²⁵ Opening comments of TracFone/Verizon and TURN/GLI on the October 2022 Ruling.

²⁶ Opening comments of NaLA and the Small LECs on the October 2022 Ruling.

²⁷ Cal Broadband's opening comments and reply comments on the 2023 Ruling.

4.2. Wireline Pilot Program Design

4.2.1. Wireline Pilot Standalone Broadband and Bundled Service Plans

The 2023 Ruling requested comments on whether to include both standalone broadband plans and bundled service plans in the wireline pilot, and how to address access to emergency services for customers who select a standalone broadband service plan.

In Section 3 above, we concluded that the wireline pilot program should test whether pilot participants that select standalone broadband service can make 911 calls through a separate service plan. No party opposed including a bundled service plan in the wireline pilot that includes VoIP service.

It is reasonable to allow wireline service providers to file a Pilot Election Advice Letter to propose standalone broadband service plans and/or bundled service plans that include broadband and VoIP service within 60 days of the issuance of this decision.

Cal Advocates asserted that California LifeLine customers may already have a separate communications plan that includes voice service and recommended that the pilot ask customers who select a standalone broadband subsidy whether they have a separate communications service option to dial 911.²⁸

The Small LECs similarly commented that the Commission and service providers should address customer education to 911 issues through another means instead of requiring customers to pay for voice service to qualify for California LifeLine support.²⁹

²⁸ Cal Advocates' opening comments on the 2023 Ruling.

²⁹ The Small LECs' opening comments on the 2023 Ruling.

GLI supported a standalone broadband option for the wireline pilot if participating consumers certify that they have alternative access to 911 calls through a separate service plan, such as a wireless service plan, during the sign-up process.³⁰

We agree with Cal Advocates and GLI that many customers may already have a separate mobile service plan or other communications service option for calling 911. While we will not require customers to prove or certify that they subscribe to a separate service plan for calling 911, we will require pilot service providers to inform interested customers that the standalone broadband service plan does not include voice service for making 911 calls and to obtain from customers who select standalone broadband service the phone number that the pilot participant can use to make calls.

It is reasonable to require each wireline service provider or its affiliate that offers standalone broadband service through the pilot to (i) inform any interested customer that the standalone broadband pilot service plan does not include voice service for making 911 calls, (ii) report to the Commission the phone number that each standalone broadband pilot participant can use to make calls, and (iii) report to the Commission how many of its pilot customers subscribed to voice or VoIP service through the wireline service provider or its affiliate while enrolled in the standalone broadband pilot service plan. These reports to the Commission should be included in the semi-annual pilot reports described in Section 5 below.

4.2.2. Wireline Pilot Minimum Service Standards

The 2023 Proposal included a wireline pilot proposal with the following minimum service standards.

³⁰ GLI's reply comments on the 2023 Ruling.

- Only plans with 100/20 megabits per second (Mbps) or higher speeds are eligible unless the proposed plan is the highest-speed fixed broadband plan available to the customers in the service area. For plans with speeds lower than 100/20 Mbps, service providers must certify to the Commission that the plan is the highest speed available plan in the specified service area(s) identified on a map, and the plan will only be offered to customers in the specified service area(s).
- Plans must provide unlimited high-speed data.
- A California LifeLine service provider may file a Pilot Election Advice Letter to propose service plans for the pilot within 60 days of the issuance of the final decision.

The 2023 Ruling asked parties whether they supported the proposed minimum speed requirement of 100/20 Mbps, with the option for service providers to offer lower speeds in specified locations if they certify that they do not offer 100/20 Mbps or higher speeds in those locations.

Cal Advocates and TURN/CforAT generally supported the proposed speed requirements.³¹ Cal Advocates noted that the 100/20 Mbps speed requirement is consistent with both federal and state grant funding for broadband services³² and Governor Newsom's Executive Order N-73-20, which directed California state agencies to pursue a minimum broadband speed goal of 100 Mbps download speed to guide infrastructure investments and program implementation to benefit all Californians. Cal Advocates also argued that the FCC is expected to increase the minimum speed requirement for federal Lifeline to 100/20 Mbps.³³

³¹ Opening comments of Cal Advocates and TURN/CforAT on the 2023 Ruling.

³² Cal Advocates cited D.22-11-023 and D.22-04-055.

³³ Cal Advocates' opening comments on the 2023 Ruling.

GLI also supported the 100/20 Mbps requirement for the wireline pilot and noted that adequate internet speeds will increase over time. GLI asserted that the average internet speed in California is over 200 Mbps as of March 2023.³⁴

The Small LECs acknowledged that they expect the FCC to raise its Lifeline and overall standards to 100/20 Mbps. The Small LECs recommended that the Commission refrain from establishing a 100/20 Mbps standard before the FCC takes this action so that all customers who qualify for federal Lifeline and ACP will immediately qualify for the pilot.³⁵ Similarly, Cal Broadband argued that the pilot should not set minimum service standards.³⁶

We agree with Cal Advocates, TURN/CforAT, and GLI that the Commission should establish a general minimum service standard of 100/20 Mbps for wireline pilot service plans. It is not necessary to wait for the FCC to raise minimum service standards for federal Lifeline or other programs.

Cal Advocates and CforAT/TURN also recommended an additional speed requirement for locations where providers do not offer 100/20 Mbps or higher speeds. Cal Advocates proposed a minimum requirement of 50/20 Mbps for these locations to provide customers moderately fast speeds while helping minimize the broadband speed gap.³⁷ CforAT/TURN recommended setting a minimum standard of 25/3 Mbps for these locations to ensure that subscribers receive sufficient service.³⁸

³⁴ GLI's reply comments on the 2023 Ruling.

³⁵ The Small LECs' opening comments on the 2023 Ruling.

³⁶ Cal Broadband's opening comments on the 2023 Ruling.

³⁷ Cal Advocates' opening comments on the 2023 Ruling.

³⁸ CforAT/TURN's opening comments on the 2023 Ruling.

The Small LECs argued that the pilot should refine the exception for service plans in locations where the service provider does not offer speeds at or above 100/20 Mbps to align with the requirements with the federal Lifeline exception to the 25/3 Mbps threshold in 47 C.F.R. Section 54.408(d). To fit within this exception, a customer must receive at least 4/1 Mbps and the “highest performing generally available residential offering” in the “given area.” The Small LECs argue that for plans that are the “highest-speed” available at a location but not delivering the target speed of 100/20 Mbps, pilot service providers should be required to certify that the applicable speed is the “highest available at the customer’s location” in alignment with the federal Lifeline exception, and should not be required to certify that the “plan is only offered to customers in [a] specified service area.”³⁹

We will apply the federal Lifeline approach to wireline pilot service plans that do not meet the wireline pilot program’s minimum service standard of 100/20 Mbps. The federal Lifeline requirements require a service provider to certify, if a service plan that meets the minimum broadband speed is not available at a specific customer’s location, that the customer will receive the highest performing available residential offering at that customer’s location. Each wireline service provider should include in its Pilot Election Advice Letter a certification that if a 100/20 Mbps service plan is not available at a customer’s location, the customer will receive the highest performing available residential offering at that customer’s location. Each wireline service provider should report to the Commission the address of each customer that receives a service plan below the 100/20 Mbps speed threshold and the data speed provided to that

³⁹ The Small LECs’ opening comments on the 2023 Ruling.

customer. This information should be included in the pilot data reports described in Section 5 below.

The 2023 Ruling asked parties whether the pilot should require unlimited high-speed broadband or establish a minimum monthly allowance of high-speed broadband.

The Small LECs asserted that it is appropriate for the service plans to offer unlimited broadband or be consistent with the FCC's current minimum data thresholds.⁴⁰ Cal Advocates similarly commented that allowing pilot plans to cap monthly usage at 1,229 GB, consistent with the federal Lifeline minimum requirement, is appropriate because it will ease the transition of customers after the pilot concludes.⁴¹

TURN/CforAT, however, argued that the Commission should require wireline pilot plans to include unlimited high-speed data to enable collection of usage data.⁴²

Parties have not argued that the federal Lifeline minimum monthly usage allowance for wireline broadband is insufficient to meet the needs of participants or their households. It is reasonable to adopt the federal Lifeline minimum monthly usage allowance, currently 1,280 GB, as the minimum monthly usage allowance for the wireline pilot program.

The Commission currently has several open proceedings that are considering new minimum performance standards for broadband grants, or revising existing standards, including R.20-08-021, R.20-09-001, and R.23-02-016. Additionally, Phase 1 of R.22-03-016 is currently considering whether to modify

⁴⁰ The Small LECs' opening comments on the 2023 Ruling.

⁴¹ Cal Advocates' opening comments on the 2023 Ruling.

⁴² TURN/CforAT's opening comments on the 2023 Ruling.

GO 133 to establish service quality standards for wireless and VoIP services. Nothing in this decision shall prevent the Commission from adopting different minimum performance standards or service quality standards for communications services.

4.2.3. Wireline Pilot Subsidies and Co-Payments

The 2023 Proposal included the following subsidy and co-payment provisions:

- Plans with monthly co-payments (after application of both ACP and federal Lifeline) will be eligible for the California LifeLine subsidy.
- The subsidy will be the lower of the co-payment amount (based on a service plan price no higher than the advertised price as of the final decision) or the current California Lifeline monthly subsidy (currently \$17.90).
- Plans that are fully subsidized by the ACP and federal Lifeline (\$0 co-payment) will be ineligible for California Lifeline subsidies.
- The 2023 Proposal did not include a cap for co-payments by pilot participants.

The 2023 Ruling asked parties whether the proposal would ensure that (a) customers in locations with high wireline broadband costs would receive a subsidy, and (b) California LifeLine would not waste ratepayer funds by providing subsidies for customers who already receive excellent broadband service at no cost to the customer after application of ACP and federal Lifeline subsidies.

Cal Advocates supported the subsidy provisions but recommended that wireline service providers be required to offer customers a service plan with a co-payment of \$15.00 or less. Cal Advocates argued that the subsidy provisions are appropriate because some wireline customers pay far more than the

combination of federal Lifeline and ACP subsidies (\$39.25) for wireline broadband. Cal Advocates asserted that some customers pay a median of \$102.95 for broadband and would have a large co-payment after application of federal subsidies and California LifeLine (\$45.80).⁴³ TURN/CforAT supported a requirement for wireline service providers to offer a service plan that costs customers no more than \$15.00 per month.⁴⁴

The Small LECs opposed a cap on co-payments, arguing that such a constraint would “lock out many of the smaller rural providers from participating” because “retail Internet service rates are a function of the unavoidably high costs of installing broadband-capable infrastructure in rural and remote parts of the State and the high wholesale network access rates imposed by a mandatory tariffing regime.” The Small LECs argue that their internet service provider affiliates purchase wholesale access according to the Small LECs’ tariffs, which are set at the federal level, and these affiliates do not have the economies of scale to absorb losses.⁴⁵

We acknowledge Cal Advocates’ and TURN/CforAT’s concerns about ensuring that participants have access to wireline broadband service plans with affordable co-payments. Cal Advocates’ recommendation to require wireline service providers to offer a service plan with a co-payment amount of \$15.00 per month is essentially a cap on co-payments for a service provider’s least expensive service plan that meets the pilot’s minimum service standards.

⁴³ Cal Advocates’ opening comments on the 2023 Ruling and opening comments on the October 2022 Ruling.

⁴⁴ TURN/CforAT’s reply comments on the 2023 Ruling.

⁴⁵ The Small LECs’ reply comments on the October 2022 Ruling.

We expect that establishing a co-payment cap would likely result in a significant number of customers in rural locations not having access to the wireline pilot. Since one adopted purpose of the pilot is to test whether a standalone broadband option will increase participation in California LifeLine, we will not adopt a co-payment cap for the wireline pilot program.

TURN/CforAT commented in appreciation of the proposed requirements to cap the California LifeLine monthly subsidy to the lower of the co-payment amount or the current California LifeLine subsidy, and to make plans that are fully subsidized by ACP and federal Lifeline (\$0 co-payment) ineligible for California LifeLine subsidy. However, CforAT/TURN expressed concerns that pilot service providers would adjust the pricing of their offerings to access the maximum subsidy.⁴⁶

The 2023 Proposal recommended that the subsidy would be based on a service plan price no higher than the advertised price as of the final decision. This provision was intended to prevent pilot service providers from inflating service plan prices when filing a Pilot Election Advice Letter for the purpose of collecting a higher subsidy.

It is reasonable to adopt the following wireline pilot subsidy provisions:

- a. Plans with monthly co-payments (after application of both ACP and federal Lifeline) will be eligible for the California LifeLine subsidy.
- b. The subsidy will be the lower of the co-payment amount (based on a service plan price no higher than the advertised price as of the effective date of this decision) or the current highest wireline California Lifeline SSA.

⁴⁶ CforAT/TURN's opening comments on the 2023 Ruling.

- c. Plans that are fully subsidized by the ACP and federal Lifeline (\$0 co-payment) will be ineligible for a California Lifeline SSA.

4.2.4. Wireline Affiliate Participation Requirements

The October 2022 Ruling asked parties whether to allow California LifeLine service providers to partner with their affiliates to participate in the pilot program, and if so, what rules to impose for these partnerships.

The Small LECs strongly supported allowing affiliates of California LifeLine providers to participate in the pilot since many of their members provide broadband service through an affiliate.⁴⁷ The Small LECs proposed to allow affiliates to participate on a voluntary basis provided that the affiliate agrees to abide by the rules of California LifeLine.⁴⁸

TURN/GLI supported allowing affiliates to participate and recommended requiring the California LifeLine service provider to guarantee its affiliate's compliance with all California LifeLine rules.⁴⁹

The 2023 Proposal included the following recommended requirements for California LifeLine providers that partner with an ISP affiliate that does not have a Certificate of Public Convenience and Necessity to offer fixed broadband services.

- a. ISP affiliates must comply with all California LifeLine program rules and requirements.
- b. California LifeLine service providers will be legally responsible for the ISP affiliate's compliance with program rules and requirements.

⁴⁷ The Small LECs' opening comments and reply comments on the ACO Ruling.

⁴⁸ The Small LECs' opening comments on the October 2022 Ruling.

⁴⁹ TURN/GLI's opening comments on the October 2022 Ruling.

- c. Reimbursement claims must be submitted by the California LifeLine service provider on behalf of the ISP affiliate.
- d. Reimbursements will be issued to the California LifeLine service provider, who will be responsible for passing on the reimbursement to the ISP affiliate.

No party raised any objections or concerns about these requirements. It is reasonable to allow California LifeLine providers to partner with an ISP affiliate to offer fixed broadband services through the wireline pilot, subject to the conditions above.

4.3. Wireless Pilot Program Design

4.3.1. Wireless Pilot Minimum Service Standards, Monthly Subsidy, Co-Payments, and Devices

The October 2022 Ruling asked parties what monthly California LifeLine SSA the pilot should offer participants to stack on top of the federal Lifeline and ACP subsidies, and why this amount is necessary to provide more services to pilot participants than they could afford with ACP and federal Lifeline subsidies alone.

TracFone/Verizon proposed for California LifeLine to provide a subsidy of \$10.63 to provide customers with unlimited voice and text messages, unlimited data, 30 GB of hotspot data per month, and a fourth generation (4G) long-term evolution (LTE) smartphone, with no co-payments or prepayments for the customer or device reimbursements by California LifeLine.

TracFone/Verizon based this proposal on one of their retail offerings available for \$49.88 per month.⁵⁰

⁵⁰ TracFone/Verizon's opening comments on the October 2022 Ruling.

TURN/GLI recommended establishing the minimum service standards for the pilot based on the best service plans available for a retail rate equivalent to the combined federal Lifeline, ACP, and California LifeLine subsidies (total of \$57.15). TURN/GLI asserted that multiple recent reports demonstrated pricing discrimination amongst communications service offerings that result in low-income communities paying higher prices for the same or worse quality services than higher-income communities. Based on its survey of retail wireless service offerings, TURN/GLI proposed that the wireless pilot should require the following pilot minimum service standards: (a) subscriber co-payment of \$0, (b) unlimited voice and text messages, (c) unlimited mobile data, (d) unlimited hotspot or tethering data, (e) fifth generation (5G) mobile data speed, (f) no throttling of data speeds unless reasonably necessary for network management practices and not before 30 GB per month.⁵¹

NaLA replied that the Commissions should allow pilot participants to apply the full California LifeLine subsidy with federal Lifeline and ACP subsidies without establishing minimum service standards for wireless service plans. NaLA argued that the Commission should follow the approach of ACP, which does not establish minimum service standards. NaLA opposed TURN/GLI's proposal, arguing that it was not realistic and was not based on the service plans cited by TURN/GLI. NaLA also opposed setting pilot minimum service standards based on the TracFone/Verizon's proposal, arguing that other California LifeLine providers would not be able to meet this market-leading offer.⁵²

⁵¹ TURN/GLI's opening comments on the October 2022 Ruling.

⁵² NaLA's reply comments on Oct 2022 Ruling.

The 2023 Ruling requested party comments on the following wireless pilot program design elements:

- Eligible service plans include unlimited mobile data, unlimited voice, and unlimited text messages.
- Eligible service plans include a specified allotment of high-speed hotspot data.
- Eligible service plans will be offered with no co-payment from customers.
- Pilot service plans will receive a \$30 monthly ACP discount, a \$9.25 federal Lifeline monthly subsidy, and a specified monthly California LifeLine subsidy.
- A free 4G or LTE smartphone with tethering or hotspot capability would be provided to new pilot enrollees at no cost to California LifeLine or to customers.

The 2023 Ruling also asked parties how much high-speed mobile data the pilot should require before speeds are throttled, and how much hotspot data the pilot should require, if the pilot provides the full California LifeLine subsidy.

TracFone/Verizon had no comment on minimum service standards for the full California LifeLine subsidy. TracFone/Verizon reiterated its proposal for \$10.63 per month and clarified that high-speed mobile data and hotspot data would be provided on its 4G network “at up to 4G speeds.” TracFone/Verizon reiterated its proposal for pilot service providers to provide a 4G LTE smartphone with hotspot capability to participants at no cost to California LifeLine or customers. However, TracFone/Verizon opposed any requirement for a provider to guarantee that a specific amount of mobile data would be provided at high speeds. TracFone/Verizon argued that the proposed reporting requirements on mobile and hotspot data usage would adequately inform the

Commission about the reasonableness of the network management by participating providers.⁵³

In comments on the October 2022 Ruling, NaLA asserted that TracFone/Verizon found that the top 5 percent of high users of unlimited data plans supported by a combination of EBB, federal Lifeline, and California Lifeline subsidies had average usage of over 80 GB of data per month.⁵⁴ This assertion indicates that the pilot should require at least 80 GB of high-speed data to enable the Commission to test the needs of California LifeLine participants who need more data.

In response to the 2023 Ruling, NaLA expressed concerns about requiring all pilot service providers to match the “market leading offer” proposed by TracFone/Verizon. NaLA proposed that “high-speed data” should be defined as “at least 4G LTE speed” where the network, customer device and location, and environmental factors will permit such speeds. NaLA commented that it would be reasonable, based on general market prices, for a provider to offer around 15 GB of hotspot data and 35-60 GB of mobile data at 4G LTE speeds before throttling speeds if California LifeLine provides a supplemental monthly subsidy of \$17.90. NaLA also asserted that providers should not be required to offer a free smartphone unless California LifeLine pays for the phone.⁵⁵

TURN/CforAT argued that the pilot minimum service standards should be informed by Verizon’s other retail plans, including a plan that offers unlimited data, texts, and voice, and 50 GB of hotspot data for only \$41.00 per month. TURN/CforAT argued that the pilot should require service plans that

⁵³ TracFone/Verizon’s opening comments on the 2023 Ruling.

⁵⁴ NaLA’s opening comments on the October 2022 Ruling.

⁵⁵ NaLA’s opening comments on the 2023 Ruling.

receive \$17.90 from California LifeLine (\$57.15 total) to offer unlimited hotspot data.⁵⁶ Cal Advocates agreed with TURN/CforAT that the Commission should require wireless pilot service providers to offer unlimited hotspot data.⁵⁷

TracFone/Verizon replied that \$41.00 per month service plan that TURN/CforAT raised is not comparable to TracFone/Verizon's proposed pilot service plan because it requires a customer to bring their own device, subscribe to automatic payments and paper-free billing, and have four phone lines on their account.⁵⁸

GLI supported the TracFone/Verizon pilot proposal. GLI also proposed that service plans that receive the full California LifeLine SSA should provide at least 50 GB of hotspot data. GLI explained that its recommendations are based on a review of retail service plans and are designed to provide "first class service" for California LifeLine subscribers.⁵⁹

NaLA argued that adopting the TracFone/Verizon pilot proposal would violate the Moore Act's requirements to avoid competitive consequences because many wireless service providers would not be able to match TracFone/Verizon's offer.⁶⁰

The Moore Act requires the Commission to implement California LifeLine in a way that is equitable, nondiscriminatory, and without competitive consequence for the telecommunications industry in California. The Commission may establish minimum service standards and subsidy levels that apply to all

⁵⁶ TURN/CforAT's opening comments on the 2023 Ruling.

⁵⁷ Cal Advocates' reply comments on the 2023 Ruling.

⁵⁸ TracFone/Verizon's reply comments on the 2023 Ruling.

⁵⁹ GLI's reply comments on the 2023 Ruling.

⁶⁰ NaLA's reply comments on the 2023 Ruling.

wireless service providers that choose to participate in California LifeLine. The Commission does not have an obligation to set the minimum service standards for California LifeLine low enough to match the retail service offerings of most service providers. In D.20-10-006, the Commission required California LifeLine wireless service plans that receive the highest California LifeLine SSA to provide 6 GB of data per month, despite arguments by wireless service providers that the federal and state subsidies would not add up to their retail rates for 6 GB data plans. Further, the Commission may establish different rules for California LifeLine pilot programs.

In Section 3 above, we concluded that the Commission should authorize a wireless pilot program to test how much mobile and hotspot data California LifeLine participants would use if they had unlimited data, a high allotment of high-speed mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering high-speed mobile data and hotspot data. It is necessary to require pilot service plans to offer unlimited data, high allotments of high-speed mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering these services to conduct this test and obtain useful data from the pilot. Since parties disagree on the combination of California LifeLine SSA and minimum service standards needed to conduct this test, we will also establish two tiers for the pilot.

It is reasonable to establish wireless pilot Tier A with the following minimum service standards, subsidy levels, and requirements:

- a. Tier A service plans receive a \$30 monthly ACP discount, a \$9.25 federal Lifeline monthly subsidy, and a California LifeLine SSA of \$17.90 per month.

- b. Tier A service plans include unlimited mobile data, unlimited voice, unlimited text messages, and at least 50 GB of hotspot data provided at 4G or higher speeds.
- c. Mobile data speeds may not be intentionally reduced below 4G data speeds until a subscriber has used at least 150 GB of mobile data per month, except in accordance with reasonable network management practices.
- d. Unlimited mobile data may not be intentionally reduced below 3G data speeds.
- e. Tier A service plans will be offered with no co-payment from customers.
- f. A free 4G LTE smartphone with hotspot capability will be provided to new pilot enrollees at no cost to California LifeLine or to customers, provided that service providers may limit the distribution of free smartphones to one per household in a given 90-day period.

It is reasonable to establish wireless pilot Tier B with the following minimum service standards, subsidy levels, and requirements:

- a. Tier B service plans receive a \$30 monthly ACP discount, a \$9.25 federal Lifeline monthly subsidy, and a California LifeLine SSA of \$10.63 per month.
- b. Tier B service plans include unlimited mobile data, unlimited voice, unlimited text messages, and at least 30 GB of hotspot data provided at 4G LTE data speeds or higher.
- c. Mobile data speeds may not be intentionally reduced below 4G LTE until a subscriber has used at least 80 GB of mobile data per month, except in accordance with reasonable network management practices.
- d. Unlimited mobile data may not be intentionally reduced below 3G data speeds.
- e. Tier B service plans will be offered with no co-payment from customers.

- f. A free 4G LTE smartphone with hotspot capability will be provided to new pilot enrollees at no cost to California LifeLine or to customers, provided that service providers may limit the distribution of free smartphones to one per household in a given 90-day period.

It is reasonable to allow wireless service providers to file a Pilot Election Advice Letter to propose Tier A and/or Tier B service plans within 60 days of the issuance of this decision.

4.3.2. Wireless Pilot Affiliate Partnerships

The 2023 Ruling asked whether to authorize California LifeLine wireless providers to partner with an affiliate without a CPCN or a registration to offer fixed broadband services. The ruling also asked whether any California LifeLine wireless provider has a non-California LifeLine affiliate that is interested in participating in this pilot.

NaLA commented that the Commission should allow providers to partner with their non-California LifeLine affiliates but did not comment on whether any wireless provider has an affiliate that is interested in participating in the pilot.⁶¹ No party commented on whether any California LifeLine wireless provider has an affiliate that is interested in participating in the pilot.

Allowing non-CPCN affiliates of wireless service providers to participate in the wireless pilot would increase the administrative burden for the pilot and could delay implementation of the wireless pilot. Since no wireless service provider has expressed interest in partnering with an affiliate to participate in the pilot, it is reasonable to not create an option for wireless service providers to partner with non-CPCN affiliates to participate in the wireless pilot program.

⁶¹ NaLA's opening comments on the 2023 Ruling.

5. Pilot Reporting Requirements

The October 2022 Ruling requested party comments on the following proposed pilot reporting requirements.

- Participating providers would submit pilot data to the Commission every six months, starting from six months after approval of the provider's Pilot Election Advice Letter for participating in the pilot and ending six months after the completion of the pilot.
- The pilot data reports would include (i) the number of pilot participants each month, and (ii) broadband data usage each month, broken down by type of broadband usage (*e.g.*, wireline data, hotspot data, mobile device data, as applicable).

TracFone/Verizon supported the pilot reporting requirements proposed in the October 2022 Ruling and also recommended consumer surveys to gain feedback on the customer experience.⁶²

TURN/GLI recommended requiring monthly and annual reports to allow the Commission to make more frequent adjustments to the pilot based on customer usage data. TURN/GLI also recommended requiring service providers to share pilot subscriber zip codes of enrollment to inform California LifeLine outreach efforts.⁶³

TracFone/Verizon replied that increasing the frequency of reporting on usage data would not increase the amount of data that the Commission could access through bi-annual reporting but would unnecessarily increase the administrative burden of the pilot. TracFone/Verizon also argued that

⁶² TracFone/Verizon's opening comments on the October 2022 Ruling.

⁶³ TURN/GLI's opening comments on the October 2022 Ruling.

TURN/GLI's recommendation for pilot subscriber locations is duplicative of existing monthly reporting by California LifeLine program administrator.⁶⁴

NaLA argued that if the Commission seeks subscriber-level data, it should collect it on an ongoing basis through the National Lifeline Accountability Database (NLAD) to reduce administrative burdens on service providers. NaLA also argued that many reseller service providers cannot break down data usage between mobile device data or hotspot data.⁶⁵

The Small LECs supported reporting on the number of pilot enrollees, but opposed reporting on usage data, arguing that this requirement would deter participation in the pilot.⁶⁶ GLI responded to the Small LECs' arguments with a proposal to exempt providers that do not impose data caps or throttle data usage from subscriber data usage reporting requirements.⁶⁷

The 2023 Ruling requested party comments on the following proposed wireless pilot reporting requirements:

- The language that the pilot sale was conducted in;
- Which phone model was provided to each pilot customer; and
- Which applications were pre-installed on each phone provided to a pilot customer (*i.e.* the "software kit").

CforAT/TURN supported the 2023 Ruling's proposed requirements. CforAT/TURN recommended collecting data about the total number of each model of phone the service provider distributed, rather than reporting on an individual basis, to reduce the administrative burden. CforAT/TURN also

⁶⁴ TracFone/Verizon's reply comments on the October 2022 Ruling.

⁶⁵ NaLA's opening comments on the October 2022 Ruling.

⁶⁶ The Small LEC's opening comments on the October 2022 Ruling.

⁶⁷ GLI's reply comments on the October 2022 Ruling.

recommended requiring service providers to report which entity pre-installed each mobile application.⁶⁸

NaLA commented that the California LifeLine program administrator already collects the language in which sales are conducted. NaLA also commented that if the pilot provides support for smartphones, then NaLA would have no objection to the California LifeLine program administrator collecting information about the smartphone model provided to pilot customers. NaLA similarly argued that the Commission should only collect information about software pre-installed on mobile devices if California LifeLine subsidizes devices.⁶⁹ TracFone/Verizon agreed with NaLA that the Commission should not impose burdensome reporting requirements about mobile devices if the Commission does not provide subsidies for mobile devices.⁷⁰

It is reasonable to require participating service providers to submit pilot data reports to the Commission every six months, starting from six months after the date of the provider's Pilot Election Advice Letter and ending six months after the completion of the pilot. The pilot data reports shall include the following information: (i) the total number of pilot participants subscribed to each pilot service plan each month, (ii) the total broadband data usage for each participant each month, (iii) for wireless service plans, the aggregate amount of all participants' mobile data usage vs. hotspot usage each month, if such information is available to the service provider, (iv) for wireless service plans, the total number of each model of mobile device provided to pilot customers during the six month period, and (v) for wireless service plans, which pre-installed

⁶⁸ CforAT/TURN's opening comments on the 2023 Ruling.

⁶⁹ NaLA's opening comments on the 2023 Ruling.

⁷⁰ TracFone/Verizon's reply comments on the 2023 Ruling.

operating system and applications were included with each mobile device model provided to pilot customers during the six month period.

Each participating wireline service provider shall also include the following information in its pilot data reports: (a) address of each customer that receives a service plan below the 100/20 Mbps speed threshold and the data speed provided to that customer, (b) the phone number that a standalone broadband participant provided, and (c) the number of its standalone broadband pilot customers that are subscribed to voice or VoIP service through the wireline service provider or its affiliate while enrolled in the standalone broadband pilot service plan.

Each participating pilot service provider shall submit each pilot data report by email to CDCompliance@cpuc.ca.gov. The Commission's Communications Division staff will provide templates for pilot data reports to the service list of this proceeding. Service providers should report customer-specific data usage information based on phone numbers.

Customer-specific data usage information and any personally-identifiable information (such as phone numbers) shall be treated as confidential.

The pilot data reports are necessary to assess the effectiveness of the pilot programs and identify potential problems that may require modifications to the pilot programs. Communications Division staff may withhold payments for pilot service plans if a service provider does not provide pilot data reports on time.

6. Subsidies for Non-Pilot Service Plans

On April 21, 2022, the Commission's Communications Division issued an administrative letter (Administrative Letter) to address the submission of advice letters and reimbursement of claims for the federal EBB and ACP. The Administrative Letter set forth the rules for transition from the federal EBB

program to ACP and interim rules for submission of advice letters and reimbursement of claims for ACP while the Commission considered whether to allow combining the ACP discount with California LifeLine subsidies.

The Administrative Letter provided that service plans that meet California Lifeline's minimum service standards and receive an ACP discount shall (i) receive \$0 monthly SSA from California LifeLine and (ii) be eligible for reimbursements of service connection fees and administrative fees.

October 14, 2022, the assigned Commissioner issued the ACO Ruling, which affirmed that the Administrative Letter would remain in effect from April 21, 2022 until a subsequent decision on whether to allow combining the ACP discount with California LifeLine subsidies. This decision affirms that the Administrative Letter remained in effect from April 21, 2022 until the effective date of this decision.

Effective as of April 21, 2022, except as provided in this decision for pilot service plans, each service plan that receives an ACP discount (or a subsidy or discount from any successor program to ACP) shall receive a California LifeLine SSA of \$0.00.

This decision does not affect the ability of a California LifeLine participant to apply a combination of the federal Lifeline subsidy and the federal ACP discount to a single service plan. Nor does this decision affect the ability of a California LifeLine participant to apply a monthly California LifeLine SSA to a service plan and to apply an ACP discount to a different service plan.

The 2022 Staff Proposal recommended that California LifeLine service providers should be eligible to receive reimbursement for service connection fees and administrative fees for any California LifeLine service plan that receives an ACP discount. No party raised a sufficient justification for prohibiting

reimbursement of service connection fees or administrative fees for these service plans.

This decision does not modify California LifeLine's policies for reimbursement of service connection fees or administrative fees.

It is reasonable for California LifeLine to provide reimbursements for service connection fees and administrative fees for California LifeLine service plans that receive an ACP discount.

The Commission should modify GO 153 as set forth in Attachment A to this decision.

7. Summary of Public Comment

Rule 1.18 of the Commission's Rules of Practice and Procedure (Rules) 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. Members of the public commented in favor of allowing customers to combine California LifeLine subsidies with the ACP discount.

8. Comments on Proposed Decision

The proposed decision of Commissioner Genevieve Shiroma in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3. Comments were filed on May 16, 2023 by California Broadband, CforAT, NaLA, Small LECs, TracFone/Verizon, and TURN/GLI and reply comments were filed on May 22, 2023 by CforAT, GLI, TURN, the Small LECs, and TracFone/Verizon.

TracFone/Verizon strongly supported the proposed decision and recommended several revisions to the wireless pilot program.

TracFone/Verizon commented that the Commission should allow wireless service providers that participate in the pilot to reduce mobile data speeds, before a participant uses its monthly allotment of high-speed data, in accordance with “reasonable network management practices.” TracFone/Verizon explained that a network provider must have the ability to prioritize some users’ data traffic over other’s (such as for first responders) and some types of traffic over others (such as prioritizing voice traffic over data traffic) during times of network congestion, such as during a sporting event, rally, or demonstration. We revised the decision to address this issue.

TracFone/Verizon requested that the Commission allow pilot service providers to limit the distribution of free smartphones to one per household in a given 90-day period to prevent waste, fraud, and abuse of the pilot program. We added this caveat to the decision.

TracFone/Verizon requested that the Commission allow pilot service providers to provide 30 days’ notice of the replacement wireless service plan, rather than defining the replacement plan in the initial advice letter to elect to participate in the pilot program. We decline to make this revision to the decision. However, we clarified in this decision that a service provider may propose to modify a replacement wireless service plan through a subsequent Tier 1 advice letter, so long as the replacement plan does not increase customer co-payments or reduce customer benefits.

TracFone also recommended that the Commission clarify reporting requirements with respect to personally-identifiable customer information. We revised this decision to clarify that service providers should report customer-

specific data usage information based on phone numbers, and that customer-specific data usage information and personally-identifiable information shall be treated as confidential.

The Small LECs strongly supported the standalone wireline broadband option in the proposed decision and offered several recommended revisions.

The Small LECs opposed tracking data usage for wireline service plans that do not cap data usage, arguing that this would deter participation of service providers. CforAT opposed removal of this requirement, arguing that collecting wireline broadband data usage information is important for establishing future minimum service standards. We declined to remove this requirement.

The Small LECs opposed the mandatory collection of phone numbers of participants in the standalone broadband pilot program for making 911 calls, arguing that this request is too invasive and will deter participation.⁷¹ CforAT responded that California LifeLine collects much more invasive information for income-verification, and that this requirement is too important for public safety to remove. We declined to remove the requirement to collect phone numbers from standalone broadband pilot participants. However, we revised the decision to require service providers to collect an applicant's phone number for making calls in general (without specifying that the phone number should be used for calling 911).

The Small LECs argued that making pilot participants attest that they are aware that the pilot is temporary and support will end when the pilot concludes

⁷¹ The Small LECs also raised Public Utilities Code Section 2891.1, which prohibits phone companies from selling or including "unpublished" numbers in directory listing without customer consent. This provision does not apply because the phone numbers will be collected for reporting to the Commission, not for sale or publication.

will chill participation. CforAT disagreed, arguing that California LifeLine participants are already required to attest to a long list of other program requirements to participate. GLI also opposed removing this requirement in reply comments. We declined to remove this requirement. The Small LECs urged the Commission to extend the duration of the wireline broadband pilot program beyond the conclusion of ACP. We acknowledge that the wireline broadband pilot program may continue to provide benefits to participants and useful data for California LifeLine after the conclusion of ACP. We revised this decision to allow the assigned Commissioner or assigned ALJ to extend the wireline broadband pilot program beyond the conclusion of ACP, but no longer than two years after the effective date of this decision. The extension ruling may not change the California LifeLine subsidy provided through the pilot program or replace the loss of the ACP discount.

9. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Stephanie Wang is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Commission has not tested California LifeLine subscriber usage patterns when customers are provided high allotments of high-speed mobile data or hotspot data.

2. A wireless pilot program is necessary to collect sufficient data to determine how much mobile and hotspot data California LifeLine participants would use if they had unlimited mobile data, a high allotment of high-speed mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering high-speed mobile data and hotspot data.

3. The ACP Order does not require a state to provide supplemental subsidies with an ACP discount.

4. The Commission has not tested providing California LifeLine subsidies for standalone wireline broadband service.

5. The Commission has not tested allowing affiliates of California Lifeline providers to receive subsidies.

6. Several federal and state grant programs for broadband services require 100/20 Mbps speed for wireline broadband services.

7. Governor Newsom's Executive Order N-73-20 directed California state agencies to pursue a minimum broadband speed goal of 100 Mbps download speed to guide infrastructure investments and program implementation to benefit all Californians.

8. The Small LECs have expressed strong interest in partnering with their ISP affiliates to participate in a wireline standalone broadband program.

9. No wireless service provider has expressed interest in partnering with an affiliate to participate in a wireless pilot.

10. On October 14, 2022, the assigned Commissioner issued the ACO Ruling, which affirmed that the Administrative Letter would remain in effect from April 21, 2022 until a subsequent decision on whether to allow combining the ACP discount with California LifeLine subsidies.

11. The 2023 Ruling requested data regarding the wireline broadband service and enrollment levels among California LifeLine participants and customers who receive an ACP discount that may be considered competitively sensitive information.

Conclusions of Law

1. It is reasonable to authorize a wireless pilot program to test how much mobile and hotspot data California LifeLine participants would use if they had unlimited mobile data, a high allotment of high-speed mobile data, a substantial allotment of high-speed hotspot data, and a mobile device capable of delivering high-speed mobile data and hotspot data.

2. It is reasonable to authorize a wireline pilot program to test (a) whether allowing ISP affiliates of California LifeLine providers to offer broadband services to California LifeLine participants will increase program participation while maintaining compliance with the program's rules, (b) whether California LifeLine participants with standalone broadband service can make 911 calls through a separate service plan, and (c) whether offering a California LifeLine subsidy for standalone wireline broadband service will increase program participation.

3. It is reasonable to not limit the number of customers or service providers that participate in the wireline or wireless pilot.

4. It is reasonable to conclude the pilots on the date that is the sooner of (a) two years after the effective date of this decision, or (b) on the date that ACP concludes.

5. The Commission should allow the assigned Commissioner or assigned ALJ to issue a ruling to extend the pilot programs to a date no later than two years after the effective date of this decision if ACP is replaced by a successor federal subsidy program.

6. The Commission should allow the assigned Commissioner or assigned ALJ to extend the wireline pilot program to a date no later than two years after

the effective date of this decision, regardless of whether the ACP is replaced by a successor federal subsidy program.

7. A ruling extending the duration of a pilot program authorized by this decision may not change the California LifeLine subsidy provided through the pilot program or replace the loss of the ACP discount.

8. The GO 153 requirement to provide California LifeLine customers with at least 30 days' notice before discontinuing service or making service terms more restrictive should apply to all pilot service plans.

9. It is reasonable to require each wireless pilot service provider to (a) propose in its Pilot Election Advice Letter a replacement California LifeLine service plan that pilot participants will receive upon the conclusion of the pilot program, (b) inform each pilot customer of the terms of the replacement California LifeLine service plan that the customer will receive upon the conclusion of the pilot program when the customer enrolls in the program, and (c) provide pilot participants at least 30 days' notice before transitioning pilot participants to standard California LifeLine service plans at the conclusion of the pilot program. A service provider may propose to modify a replacement wireless service plan through a subsequent Tier 1 advice letter, so long as the replacement plan does not increase customer co-payments or reduce customer benefits.

10. It is reasonable to require each wireline pilot service provider to (a) obtain each pilot customer's affirmation at the time of enrollment that the customer is aware that they will no longer receive the ACP subsidy or the California LifeLine subsidy when the pilot program concludes, and (b) provide pilot customers at least 30 days' notice before increasing a wireline pilot participants' bills at the conclusion of the pilot program.

11. It is reasonable to allow wireline service providers to file a Pilot Election Advice Letter to propose standalone broadband service plans and/or bundled service plans that include broadband and VoIP service within 60 days of the issuance of this decision.

12. The Commission should apply all rules and procedures of California LifeLine and GO 153, except as specifically provided in this decision, to the pilot programs authorized by this decision.

13. California LifeLine service providers should not be required to participate in either of the pilot programs authorized by this decision.

14. It is reasonable to require each wireline service provider or its ISP affiliate that offers standalone broadband service through the pilot to (a) inform any interested customer that the standalone broadband pilot service plan does not include voice service for making 911 calls, (b) report to the Commission a phone number that each standalone broadband pilot participant may use to make calls, and (c) report to the Commission how many of its pilot customers subscribed to voice or VoIP service through the wireline service provider or its ISP affiliate while enrolled in the standalone broadband pilot service plan.

15. The Commission should require each wireline service provider to include in its Pilot Election Advice Letter a certification that if a 100/20 Mbps service plan is not available at a pilot customer's location, the customer will receive the highest performing available residential offering at that customer's location.

16. It is reasonable to adopt the federal Lifeline minimum monthly usage allowance, currently 1,280 GB, as the minimum monthly usage allowance for the wireline pilot program.

17. It is reasonable to not adopt a co-payment cap for the wireline pilot.

18. It is reasonable to adopt the following wireline pilot subsidy provisions:
 - (a) Plans with monthly co-payments (after application of both ACP and federal Lifeline subsidies) will be eligible for the California LifeLine subsidy.
 - (b) The subsidy will be the lower of the co-payment amount (based on a service plan price no higher than the advertised price as of the effective date of this decision) or the current highest wireline California Lifeline SSA.
 - (c) Plans that are fully subsidized by the ACP and federal Lifeline (\$0 co-payment) will be ineligible for a California Lifeline SSA.
19. The Commission should allow California LifeLine providers to partner with an ISP affiliate to offer fixed broadband services for the wireline pilot, subject to all of the following requirements:
 - (a) ISP affiliates should comply with all California LifeLine program rules and requirements.
 - (b) California LifeLine service providers should be legally responsible for the ISP affiliate's compliance with program rules and requirements.
 - (c) Reimbursement claims should be submitted by the California LifeLine service provider on behalf of the ISP affiliate.
 - (d) Reimbursements should be issued to the California LifeLine service provider, who will be responsible for passing on the reimbursement to the ISP affiliate.
20. It is reasonable to establish wireless pilot Tier A with the following minimum service standards, subsidy levels, and requirements:

- (a) Tier A service plans receive a \$30 monthly ACP discount, a \$9.25 federal Lifeline monthly subsidy, and a California LifeLine SSA of \$17.90 per month.
- (b) Tier A service plans include unlimited mobile data, unlimited voice, unlimited text messages, and at least 50 GB of hotspot data provided at 4G or higher speeds.
- (c) Mobile data speeds may not be intentionally reduced below 4G data speeds until a subscriber has used at least 150 GB of mobile data per month, except in accordance with reasonable network management practices.
- (d) Unlimited mobile data may not be intentionally reduced below 3G data speeds.
- (e) Tier A service plans will be offered with no co-payment from customers.
- (f) A free 4G LTE smartphone with hotspot capability will be provided to new pilot enrollees at no cost to California LifeLine or to customers, provided that service providers may limit the distribution of free smartphones to one per household in a given 90-day period.

21. It is reasonable to establish wireless pilot Tier B with the following minimum service standards, subsidy levels, and requirements:

- (a) Tier B service plans will receive a \$30 monthly ACP discount, a \$9.25 federal Lifeline monthly subsidy, and a California LifeLine SSA of \$10.63 per month.
- (b) Tier B service plans include unlimited mobile data, unlimited voice, unlimited text messages, and at least 30 GB of hotspot data provided at 4G LTE data speeds or higher.

- (c) Mobile data speeds may not be intentionally reduced below 4G LTE until a subscriber has used at least 80 GB of mobile data per month, except in accordance with reasonable network management practices.
- (d) Unlimited mobile data may not be intentionally reduced below 3G data speeds.
- (e) Tier B service plans will be offered with no co-payment from customers.
- (f) A free 4G LTE smartphone with hotspot capability will be provided to new pilot enrollees at no cost to California LifeLine or to customers, provided that service providers may limit the distribution of free smartphones to one per household in a given 90-day period.

22. It is reasonable to allow wireless service providers to file a Pilot Election Advice Letter to propose Tier A and/or Tier B service plans within 60 days of the issuance of this decision.

23. It is reasonable to not create an option for wireless service providers to partner with non-CPCN affiliates to participate in the wireless pilot program.

24. It is reasonable to require participating service providers to submit pilot data reports to the Commission every six months, starting from six months after the date of the provider's Pilot Election Advice Letter and ending six months after the completion of the pilot.

25. The pilot data reports should include the following information: (a) the total number of pilot participants subscribed to each pilot service plan each month, and (b) the total broadband data usage for each participant each month.

26. Wireless service providers should include in each pilot data report the following information: (a) the aggregate amount of all participants' mobile data usage vs. hotspot usage each month, if such information is available to the

service provider, (b) the total number of each model of mobile device provided to pilot customers during the six month period, and (c) the operating system and applications that were pre-installed on each mobile device model provided to pilot customers during the six month period.

27. Wireline service providers should include in each pilot data report the following information: (a) the address of each customer that receives a service plan below the 100/20 Mbps speed threshold and the data speed provided to that customer, (b) the phone number that a standalone broadband participant may use to make calls, and (c) the number of its standalone broadband pilot customers that are subscribed to voice or VoIP service through the wireline service provider or its affiliate while enrolled in the standalone broadband pilot service plan.

28. The Commission's Communications Division staff should provide templates for pilot data reports to the service list of this proceeding. Service providers should report customer-specific data usage information based on phone numbers.

29. Customer-specific data usage information and any personally-identifiable information (such as phone numbers) shall be treated as confidential.

30. The Commission's Communications Division staff may withhold payments for pilot service plans if a service provider does not provide pilot data reports on time.

31. It is reasonable for the Commission to affirm that the Administrative Letter remained in effect from April 21, 2022 until the effective date of this decision.

32. Effective as of April 21, 2022, except as provided in this decision for pilot service plans, each service plan that receives an ACP discount (or a subsidy or

discount from any successor program to ACP) should receive a California LifeLine SSA of \$0.00.

33. This decision should not affect the ability of a California LifeLine participant to apply a combination of the federal Lifeline subsidy and the federal ACP discount to a single service plan.

34. This decision should not affect the ability of a California LifeLine participant to apply a monthly California LifeLine SSA to a service plan and to apply an ACP discount to a different service plan.

35. It is reasonable for California LifeLine to provide reimbursements for service connection fees and administrative fees for California LifeLine service plans that receive an ACP discount and participate in a pilot program authorized by this decision.

36. The Commission should modify GO 153 as set forth in Attachment A to this decision.

O R D E R

IT IS ORDERED that:

1. General Order 153 is modified as set forth in Attachment A.
2. Each California Universal Telephone Service Program (California LifeLine) wireless service provider may elect to participate in the wireless pilot program authorized by this decision by filing a Tier 2 advice letter within 60 days of the issuance of this decision. Each wireless service provider shall include in its Pilot Election Advice Letter (a) each proposed pilot service plan, and (b) a replacement California LifeLine service plan that pilot participants will receive upon the conclusion of the pilot program.
3. Each California Universal Telephone Service Program (California LifeLine) wireline service provider may elect to participate in the wireline pilot program

authorized by this decision by filing a Tier 2 Advice Letter within 60 days of the issuance of this decision. Each wireline service provider shall include in its Pilot Election Advice Letter: (a) each proposed pilot service plan, (b) a proposed script for obtaining a pilot customer's affirmation at the time of enrollment that the customer is aware that they will no longer receive the Affordable Connectivity Program subsidy or the California LifeLine subsidy when the pilot program concludes, (c) evidence of the advertised price of its proposed pilot service plans as of the effective date of this decision, (d) a certification that if a 100/20 megabits per second service plan is not available at a pilot customer's location, the customer will receive the highest performing available residential offering at that customer's location, and (e) if partnering with an affiliate to provide pilot services, an acknowledgement that the wireline service provider shall be legally responsible for its affiliate's compliance with California LifeLine rules and requirements.

4. Each California Universal Telephone Service Program wireline service provider that elects to participate in the wireline pilot program authorized by this decision shall submit pilot data reports to the Commission every six months, starting from six months after the date of the provider's Pilot Election Advice Letter and ending six months after the completion of the pilot. The pilot data reports shall include the following information: (a) the total number of pilot participants subscribed to each pilot service plan each month, (b) the total broadband data usage for each participant each month, (c) the address of each customer that receives a service plan below the 100/20 megabits per second speed threshold and the data speed provided to that customer, (d) the phone number provided by each standalone broadband participant, and (e) the number of its standalone broadband pilot customers that are subscribed to voice or VoIP

service through the wireline service provider or its affiliate while enrolled in the standalone broadband pilot service plan.

5. Each California Universal Telephone Service Program wireless service provider that elects to participate in the wireline pilot program authorized by this decision shall submit pilot data reports to the Commission every six months, starting from six months after the date of the provider's Pilot Election Advice Letter and ending six months after the completion of the pilot. The pilot data reports shall include the following information: (a) the total number of pilot participants subscribed to each pilot service plan each month, (b) the total broadband data usage for each participant each month, (c) the aggregate amount of all participants' mobile data usage vs. hotspot usage each month, if such information is available to the service provider, (d) the total number of each model of mobile device provided to pilot customers during the six month period, and (e) the operating system and applications that were pre-installed on each mobile device model provided to pilot customers during the six month period.

6. Each wireless service provider that participates in the wireless pilot program authorized by this decision shall provide pilot participants at least 30 days' notice before transitioning pilot participants to standard California Universal Telephone Service Program service plans at the conclusion of the pilot program.

7. Each wireline service provider that participates in the wireline pilot program authorized by this decision shall provide pilot participants at least 30 days' notice before increasing pilot participants' bills at the conclusion of the pilot program.

8. Rulemaking 20-02-008 remains open.

This order is effective today.

Dated June 8, 2023, at San Francisco, California.

ALICE REYNOLDS
President
GENEVIEVE SHIROMA
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
Commissioners

ATTACHMENT A

General Order 153 Adopted Modifications

Attachment A
General Order 153 Adopted Modifications

Section 1.4

The California LifeLine Program provides support to participating California LifeLine Service Providers through a Specific Support Amount (“SSA”) prescribed by the Commission that reduces the rate for eligible services purchased by LifeLine Subscribers. Where Subscribers also qualify for **federal** support ~~through the federal Lifeline program~~, Subscribers may be eligible for further reduced rates based on both federal and state support, subject to certain limitations set forth in this General Order. Where Subscribers are not eligible for federal **Lifeline** support, Subscribers may continue to receive California LifeLine support, provided that they qualify for support under this General Order.

Appendix C

Specific Support Amounts Available for California LifeLine Service Providers

Pursuant to GO 153, Section 9.2.1, California LifeLine Service Providers may recover the Specific Support Amount (SSA) and other amounts expressly approved by the Commission as set forth below in this Appendix.

Part A: LifeLine Customers That Qualify Under Federal Eligibility Criteria

1. Wireline California LifeLine Service Providers offering the Service Elements of California LifeLine Wireline as set forth in Appendix A-1 on a stand-alone basis or with a broadband service that does not meet federal Lifeline minimum standards may recover up to the maximum SSA.

~~In addition, between December 1, 2020 and November 30, 2021 a wireline California LifeLine Service Provider may recover from the California Lifeline Fund up to \$2.00 per Subscriber in reduced monthly federal Lifeline support for LifeLine Subscribers who do not subscribe to qualifying broadband plans that meet the federal Lifeline minimum standards.~~ Effective December 1, 2021, a wireline California LifeLine Service Provider may recover from the California Lifeline Fund: (i) \$2.00 per month if federal Lifeline support remains \$5.25 (or is reduced by less than \$2.00) for service plans that do not meet federal Lifeline broadband standards, (ii) \$5.25 if federal Lifeline support is eliminated for service plans that do not meet federal Lifeline broadband standards, or (iii) if federal Lifeline support is reduced by more than \$2.00 for service plans that do not meet federal Lifeline broadband standards, the difference between \$5.25 and the amount of federal Lifeline support.

2. Wireline California LifeLine Service Providers offering the Service Elements of California LifeLine Wireline as set forth in Appendix A-1 with a broadband service that meets federal Lifeline minimum standards may recover up to the maximum SSA **subject to the provisions of Part C.**

3. Wireless LifeLine Providers offering Plans, as set forth in Appendix A-2 (and which thereby meet federal Lifeline minimum standards), **subject to the provisions of Part C**, may recover the corresponding SSA:

Plan	California SSA
Basic Plan*	\$12.85
Standard Plan*	\$14.85 <u>17.90</u>
Family Plan (Line 1) **	\$14.85 <u>17.90</u>

* Basic Plans and Standard Plans that require co-payments or prepayments are subject to Tier 2 advice letter review for affordability and compliance with California LifeLine rules.

** Family Plan additional lines do not receive a California LifeLine subsidy. Family Plan Line 1 terms and conditions are subject to Tier 2 advice letter review. A Family Plan is an addition to the Standard Plan. If a participant fails to make Family Plan co-payments, Family Plan Line 1 reverts to the Standard Plan.

4. Fixed VoIP LifeLine Providers offering voice service as set forth in Appendix B, whether as a stand-alone service or with broadband service, may recover the portion of the SSA necessary to reimburse the provider for discounts provided to its California LifeLine Subscribers **in accordance with Part C**.

Part B: LifeLine Customers That Qualify Under California Eligibility Criteria (and not Federal Eligibility Criteria)

In addition to the SSA and other amount expressly approved by the Commission set forth in Part A above, for California-Only Subscribers (as defined in GO 153, Section 5.1.5.4), California LifeLine Service Providers may collect the lost federal **Lifeline** support, as applicable, from the California LifeLine Fund equal to the amount that California-Only Subscribers would have received if they had met federal eligibility requirements under 47 C.F.R. Sections 54.409 and 54.410.

Part C: LifeLine Customers with an Affordable Connectivity Program Discount Applied to Their Service Offering

Each service plan that receives an Affordable Connectivity Program discount (or a federal subsidy or discount from any successor program to the Affordable Connectivity Program) shall receive a California LifeLine SSA of \$0.00.

(END OF ATTACHMENT A)