

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 5, 2021

President Batjer  
Commissioner Aceves  
Commissioner Randolph  
Commissioner Rechtschaffen  
Commissioner Shiroma

**SUBJECT:** Annual Report of The Universal LifeLine Telephone Service for the Period July 1, 2018 through June 1, 2020.

Pursuant to Section 4.1.b of the Charter of the Universal LifeLine Telephone Service Trust Administrative Committee (Committee), Communications Division, on behalf of the Committee, submits the enclosed annual report for the period July 1, 2018 through June 1, 2020. The report was approved by the Committee on December 16, 2020.

Sincerely,

*Mary Rottman*

Mary Rottman  
LifeLine Program Liaison  
Communications Division

cc: R. Osborn, Director  
J. Lakritz, Program Manager  
M. Worster, Program Supervisor  
Committee Members

Encl.

**ANNUAL REPORT OF THE UNIVERSAL LIFELINE TELEPHONE SERVICE  
TRUST ADMINISTRATIVE COMMITTEE (ULTS-AC)**

**FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2020**

**Submitted by: The Universal LifeLine Telephone Service Trust  
Administrative Committee**

**Date submitted: December 16, 2020**

## **UNIVERSAL LIFELINE TELEPHONE SERVICE TRUST – ADMINISTRATIVE COMMITTEE**

Pursuant to PU Code 277(a) the ULTS-AC was established to serve as an advisory committee to the California Public Utilities Commission (CPUC). The role of the ULTS-AC is to advise the CPUC regarding the development, implementation and administration of the Universal Lifeline Telephone Service Trust (ULTS) program to ensure lifeline telephone service is available to the people of the State as provided by Assembly Bill 1348 (AB 1348), and subsequently modified by Senate Bill 669 (SB 669).

### **The Moore Universal Telephone Service Act.**

AB 1348 was introduced to ensure the availability of affordable basic local telephone service to all qualifying low-income households in California. This bill became law in September 1983 and is known as Article 8. Universal Telephone Service, Public Utilities Code Section 871.

The California LifeLine program (formerly known as Universal LifeLine Telephone Service or ULTS) or “LifeLine” provides subsidized basic telephone service to qualifying residential subscribers. Under the California LifeLine program, a customer may select any carrier from those that provide residential local exchange service in the customer’s area. The LifeLine program is funded by a surcharge, as determined by the CPUC, on the end of the user’s bill for intrastate telecommunications services. There are approximately 1.65 million subscribers as of June 30, 2020 who receive subsidized telephone service through wireline or wireless service providers.

### **ULTS Marketing Board (ULTSMB)**

Pursuant to Decision 96-10-066 the ULTSMB was established as the entity responsible for developing designing and implementing a competitively neutral marketing strategy for the LifeLine program. The intent of the Decision was to provide basic telephone service to all qualifying low-income households in California.

In 2000, a LifeLine call center was established to help facilitate customer access to local telephone service providers in a competitively neutral manner or of the customers’ choice in order to establish service. The call center was staffed by telephone representatives who assisted customers with any questions relating to the California LifeLine program. Additionally, representatives were available in seven languages for the non-English speaking customers identified as part of the target audience. The call center has since been expanded to include available representatives in eleven languages plus English.

Senate Bill 669 (SB 669) implemented changes to the ULTSMB relative to the program administration of the LifeLine program. Under SB 669, the existing ULTSMB was disbanded and the new ULTS-AC board was created. This bill required that the

administrative responsibilities for the California LifeLine program become the responsibility of the CPUC. Oversight of the LifeLine program was assigned to the CPUC's Telecommunications Division (TD), now called the Communications Division (CD). Therefore, the role of the ULTS-AC under the SB 669 became an advisory entity.

## **ULTS-AC**

By Commission Decision 02-04-059, the restructuring of the California LifeLine advisory board was completed, and the establishment of the new ULTS-AC commenced effective February 1, 2003. The CPUC's CD is the program administrator overseeing the California LifeLine contract administration and marketing activities with advice from the ULTS-AC in its new advisory capacity.

In November 2003, the ULTS-AC made significant modifications to the original Plan which had carried over and had been implemented as part of the current California LifeLine marketing program administered by Richard Heath and Associates (RHA) with oversight by the Communications Division. The current composition of the ULTS-AC reflects a broad diverse group of individuals with representation from small and large incumbent and competitive local telephone companies, community-based organization and consumer advocacy groups. The experience and knowledge that each member possesses has allowed the ULTS-AC to work diligently to advise the Commission on the development of a strong marketing plan in order to achieve our goals of reaching 95% subscribership among all eligible consumers in the state.

The ULTS-AC continues to ensure that the California LifeLine program targets all eligible low-income segments of the population of California including, but not limited to African American, Cambodian, Chinese, Filipino, Hispanic, Hmong, Korean, Laotian, Vietnamese, Native Americans, Seniors and social agency and welfare recipients. To achieve this, it is imperative that the ULTS-AC working with CD continues to:

- Track and report monthly the activities of the marketing, outreach and call center programs for California LifeLine
- Track enrollment data
- Identify target groups that have low-penetration rates
- Monitor education and outreach message dissemination
- Monitor Call Center activities
- Track the California LifeLine Program Administrator's recertification process to ensure LifeLine customers recertify based on their household income or eligible program qualifications each year
- Continue to advise on all education and outreach material in language specific form with correct and consistent information
- Identify problems with the marketing campaign and make recommendations for correction and improvement.

## **ULTS-AC Goals and Objectives**

- Meet regularly under the Provisions of Bagley-Keene Open Public Meeting Act
- Follow procedures mandated by Charter
- Provide recommendations to CD on R.11-03-013 and R.20-02-008.
- Monitor and evaluate CBO education and outreach.
- Closely monitor CPUCs Conflict of Interest Concerns Relative to the impact on ULTS-AC members
- Monitor ULTS-AC Budget
- Review Senate and Assembly Bills impact on California LifeLine
- Continual interaction with LifeLine program contractors
- Monitor legislative, CPUC and FCC activities that may impact California LifeLine program or consumers in California
- Submit yearly California LifeLine budget for review and approval by Commission resolution

The unresolved issues of conflict of interest of telephone company members of the committee should be resolved as expeditiously as possible. The limited roster of the committee has made the presence of a quorum especially difficult.

## **ULTS-AC Accomplishments**

Between July 1, 2018 and June 30, 2020, the ULTS-AC met a total of 8 times; seven (7) meetings were held in person and one (1) meeting was held virtually due to COVID-19 pandemic safety guidance and directives.

During these meetings, the ULTS-AC provided the following advice to the CPUC

- Submitted budgets
- Provided advice to the Communications Division on California LifeLine contractors
- Reviewed and monitored program expenditures and surcharge income
- Provided feedback to the call center contractors
- Provided feedback to CD staff regarding changes in the California LifeLine program.

The ULTS-AC provides an important vehicle for the CPUC to receive information from interested parties who are key to the provision of the LifeLine program, service providers, consumer groups and community organizations. We remain dedicated to that goal and anticipate continuing to serve the public and the CPUC in the coming years.

## **Significant Program Changes During Report Periods 2018/2019 and 2019/2020**

In August 2018:

- the CPUC adopted Decision 18-08-027 Modifying Benefit Portability Freeze for the California Lifeline Program, which reduced the benefit freeze from 60 days to 24 hours and eliminated exceptions to the benefit portability freeze duration adopted in Decision 17-01-032.
  
- following the OAH final decision to deny the bid protest, the CPUC executed a contract with Maximus Human Services Inc. to act as the new third-party administrator of the California LifeLine Program between July 30, 2018 through January 29, 2021. The 6-month transitional activities began in August 2018 and will last through January 2019.
  
- the CPUC sponsored Lifeline Pilot Workshop in Sacramento to develop plan to implement pilot programs to increase program participation and streamline eligibility process.

In September 2018, the CPUC sponsored a follow-up Workshop on Pilots and Partnerships to discuss the framework for Boost/iFoster pilots and other potential future pilots.

In November 2018, the CPUC sponsored the California Lifeline Program Renewal Workshop to review how to increase the renewal success rate.

In December 2018, the CPUC adopted Decision 18-12-019 Establishing Criteria For Pilot Programs and Partnerships Within the California LifeLine Program.

In April 2019, the CPUC adopted D.19-04-021 authorizing LifeLine Pilot Programs for Boost Mobile, Inc. and iFoster, Inc. Boost Mobile will offer prepaid cell phone plans to approved participants at a discount, and the iFoster pilot program will provide California LifeLine discounts to foster youth.

In November 2019, the CPUC adopted Decision 19-11-008 Extending Authorization for the California LifeLine Fund to Make Up for the Loss of Federal Support for CA-Only Participants through February 28, 2020.

In February 2020:

- the CPUC adopted Decision 20-02-004 Authorizing the Program Fund to Replace Federal Support for Wireline Participants, replacing the \$2.00 subsidy reduction in federal support for wireline providers through November 30, 2020.

- the CPUC adopted Decision 20-02-042 Extending Authorization to Replace Federal Support for California-Only Participants, authorizing the California LifeLine Program fund to make-up the full amount of the federal support California-eligible LifeLine participants not eligible to receive federal lifeline subsidy. D.20-02-042 also relaxed the application of G.O. 153 Section 8.6 to allow service providers flexibility to show federal and state discounts on a combined or separate basis on lifeline participants' bills.
- the CPUC closed Resolution 11-03-013 proceeding and opened a new proceeding, Resolution 20-02-002, to update the California Universal Telephone Service Program. The record created in R.11-03-013 will be incorporated into the D.20-02-002 record.

In April 2020, the CPUC ordered a hold on the California LifeLine Program renewal process to align with FCC Renewal Suspension Order. This suspension has since been extended through November 30, 2020.

In March 2020, the CPUC issued Resolution T-17687 Clarifying Carrier Reimbursement for the California LifeLine Program and D.00-10-028, directing carriers that reimbursement for the LifeLine Measured Rate Service was on a per call basis, not a per minute basis.

In June 2020, the CPUC issued Resolution T-17700 providing Approval of up to \$500,000 in additional funding for iFoster to distribute smartphones to Californian foster youth.

### **Significant Program Changes During Report Periods 2020/2021**

In October 2020, the CPUC adopted Decision 20-10-006 Establishing Specific Support Amounts and Minimum Service Standards for California LifeLine and Authorizing Replacement of Federal Support for Wireline Participants. The new subsidy amounts and service standards adopted in this Decision will increase access to no-cost and low-cost mobile broadband plans that support Californians' needs during the COVID-19 pandemic and beyond. California LifeLine participants will have new options for higher mobile data allowances and the program will also offer subsidies for wireline voice bundled with fixed broadband services. D.20-10-006 also authorized the LifeLine Fund to continue replacing \$2.00 of the lost federal lifeline support on wireline plans and eliminated the wireline requirement to provide customers with the choice of measured or flat rate LifeLine service.