

ULTSAC Annual Report

PERIOD: JULY 1, 2022 - JUNE 30, 2023

SUBMITTED BY: DAVID AVILA, COMMITTEE CHAIR & MARCIE EVANS, COMMITTEE CO-CHAIR

UNIVERSAL LIFELINE TELEPHONE SERVICE TRUST – ADMINISTRATIVE COMMITTEE

Pursuant to Public Utilities (P.U.) Code Section 277(a) the Universal LifeLine Telephone Service Trust Administrative Committee (ULTSAC) was established to serve as an advisory committee to the California Public Utilities Commission (CPUC or Commission). The role of the ULTSAC is to advise the Commission regarding the development, implementation, and administration of the Universal Lifeline Telephone Service Trust (LifeLine or 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 Commission, on the end user’s bill for intrastate telecommunications services. There are approximately 1.11 million subscribers as of June 30, 2023, who receive subsidized telephone service through wireline or wireless service providers.

ULTS Marketing Board (ULTSMB)

Pursuant to Decision (D.) 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 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 2 administrative responsibilities for the California LifeLine program become the responsibility of the Commission. Oversight of the LifeLine program was assigned to the Commission's Telecommunications Division (TD), now called the Communications Division (CD). Therefore, the role of the ULTSAC under the SB 669 became an advisory entity.

ULTSAC

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

ULTSAC Goals and Objectives

- Meet regularly under the Provisions of Bagley-Keene Open Public Meeting Act
- Follow procedures mandated by Charter of the Universal LifeLine Telephone Service Trust Administrative Committee
- Provide recommendations to the Commission and CD on proposed Rulemaking
- Monitor and evaluate CBO education and outreach
- Closely monitor Commission's Conflict of Interest Concerns Relative to the impact on ULTSAC members
- Monitor ULTSAC Budget
- Review Senate and Assembly Bills impact on California LifeLine
- Continual interaction with LifeLine program contractors
- Monitor legislative, Commission 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

ULTSAC Accomplishments

Between July 1, 2022, and June 30, 2023 the ULTS-AC met four times. During these meetings, the ULTSAC provided the following:

- Submitted budgets
- Feedback to the Communications Division on California LifeLine contractors and call center.
- Reviewed and monitored LifeLine program expenditures and surcharge income
- Feedback to CD regarding changes in the California LifeLine program
- Updates regarding developments in the FCC’s Lifeline and Affordable Connectivity Program
- Welcomed a new Committee member representing Consumer Based Organizations.

The ULTSAC provides an important vehicle for the Commission 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 Commission in the coming years.

With that goal in mind, the ULTSAC is also providing in this report a list of recommendations for various topics the Commission should address in the coming year that the ULTSAC believes will improve the LifeLine program.

Significant LifeLine Program Changes During Reporting Period

July 2022– June 2023

- On July 1, 2022, the FCC’s LifeLine Renewal waiver expired, and the California LifeLine Administrator began the “catch-up phase” of the Lifeline eligibility renewal process. The LifeLine renewal process had been temporarily suspended during the Covid-19 pandemic period.
- On November 17, 2022, Decision 22-11-029 extended the statutory deadline for Rulemaking 22-02-008 to December 31, 2024, allowing for additional time to consider program updates, implementation of California LifeLine rules and changes to State and federal policies.

- On January 13, 2023, Decision 23-01-003 extended the California LifeLine Program's foster youth pilot program through July 31, 2024, without expanding the pilot budget. The foster youth pilot program increases accessibility and participation in the LifeLine Program by foster youth, providing youths with resources and opportunities that they need to become successful, independent adults.
- On June 8, 2023, Decision 23-06-003 approved wireline and wireless pilot programs to leverage the federal Affordable Connectivity Program (ACP) in conjunction with the California LifeLine Program subsidies. The pilot programs will conclude two years following the Decision date or at the conclusion of ACP, whichever is sooner. All wireline and wireless service providers may have elected to participate by filing an Advice Letter, specifying their pilot service plan(s).

Accomplishments of the LifeLine Program During Reporting Period

California LifeLine partnered with CalFresh to preemptively determine and complete recertification eligibility, decreasing program cost costs, improving the subscribers' experiences during the renewal process, and increasing the Program's renewal rates. For renewal processes starting since the annual renewal process resumed on July 1, 2022, 72% of LifeLine subscribers renewed their eligibility, in comparison to the Program's historical renewal rates of less than 50%. CalFresh also added the California Lifeline link to their website to add additional awareness of the LifeLine Program. 79% of subscribers receiving renewal approval decisions were based on positive CalFresh Confirm matches.

Staff began partnering efforts with other state agencies and public purpose programs, including CDSS, CSD, EDD.

Expanded the use of text and pre-recorded calls to inform subscribers of their eligibility status.

Expanded the acceptable forms of identification, to include the San Francisco City ID cards and Parolee Identification cards issued by the California Division of Adult Parole Operations.

ULTSAC's Identification of Important Issues for the Commission to Consider

The Universal LifeLine Telephone Service Trust Administrative Committee (ULTSAC) has identified several topics that we believe the California Public Utilities Commission (Commission) should address in the Commission's

ongoing LifeLine Modernization proceeding, Rulemaking (R.) 20-02-008 or its successor proceeding. The ULTSAC is not providing specific recommendations for how the Commission should address each topic; instead, this list should serve as a checklist of areas where the Commission can improve the LifeLine program. Additionally, the list of topics is presented in no particular order to give the Commission the discretion to address each topic in whatever order it chooses.

Sacramento State University LifeLine Program Assessment

California State University, Sacramento completed its evaluation of the LifeLine program in May 2022 and made several recommendations for strategic planning, website modernization, promoting home broadband solutions, increasing competition, and targeting outreach to communities that have not previously participated in the Program. The Commission presented and requested comments on the Program Assessment from parties in the LifeLine rulemaking. Further review of recommendations and Party comments will help the Commission prioritize the issues that will be addressed in the LifeLine rulemaking.

Grow and Expand Participation in the LifeLine Program

The Commission should prioritize improvements to the LifeLine program that will grow and expand participation in the LifeLine program. Serving the greatest number of California residents is a key tenant of the LifeLine program. California Public Utilities Code Section 871.7 states that the purpose of the LifeLine program was originally to “...offer high quality basic telephone service to the greatest number of California residents...”. For example, the Commission may ascertain communities where LifeLine enrollment is lower than expected in communities with a larger percentage of low-incomed households. Therefore, as the Commission seeks to improve the LifeLine program, it should always consider how each improvement may affect participation rates and prioritize improvements that have a greater impact on participation.

Ongoing Improvements to Renewal and Recertification

In addition to expanding participation, the Commission should also continue to improve on the LifeLine program’s renewal and recertification process for existing LifeLine participants. In D. 22-05-014, the Commission authorized implementation of four recommendations from the Renewals Working Group

and Staff Proposal for improving the renewals and recertification process for LifeLine participants.¹ Additionally, the launch of the Service Provider Intake Application (SPIA) has greatly improved the efficiency of automatic processing of renewal applications by the TPA. The ULTSAC applauds the Commission for authorizing the Renewal Working Group's recommendations but encourages the Commission to continue its work to improve the renewal and recertification process. Improving renewals and recertification must be an iterative process whereby the Commission implements improvements, assesses their impacts, and continually pushes to refine the renewal and recertification process.

Community Outreach and Marketing

The Commission should consider how it can improve marketing and community outreach for the LifeLine program. The LifeLine program currently lacks a unified marketing and community outreach strategy. Instead, the Commission currently relies on individual LifeLine service providers to market and advertise the LifeLine program to the public.

Although this method may be effective, there has been no recent review or attempt to improve LifeLine's marketing or outreach in any way. It's possible that households that are eligible for LifeLine aren't enrolled because they are ill informed of the LifeLine program. Also, there may be particular demographics of LifeLine-eligible households, such as household location and non-English speakers, which receive inadequate LifeLine marketing. The Commission could survey existing and potential LifeLine customers to identify gaps in non-English LifeLine marketing material. The Commission should also consider how it can partner with community-based organizations, local governments, and other public purpose programs to market the LifeLine program to rural and tribal populations.

Continuation of Voice-Only LifeLine Support

The Commission should consider if and how it can permanently support voice-only LifeLine service in light of declining subsidies from the federal Lifeline program. The Federal Communication Commission's (FCC's) 2016 Lifeline Reform Order² outlined a multi-year phase out of voice-only Lifeline service

¹ D. 22-05-014 Conclusions of Law 1, page 13

² *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3989-97, paras. 73-98 (2016).

culminating in federal-voice only Lifeline subsidies. According to the 2016 Order, the FCC initially planned to phase-out (reduce to \$0 per month) the subsidy to voice-only Lifeline service effective December 1, 2021. In November 2021, the FCC waived for one year the scheduled phase-out of support for voice-only service.³ In the July 2022, the FCC further extended for one year the phase-out of support for voice-only service through November 31, 2023.⁴ On July 7, 2023, the FCC further extended the phase-out support for voice-only service through November 31, 2024.⁵ In the years since 2016, the Commission has made incremental adjustments to address the gradual phase down in federal support but has not made a permanent decision on what to do with voice-only LifeLine service once federal support ends. The Commission should evaluate whether it is worthwhile to continue to support voice-only LifeLine service without any federal funding and if so, if voice-only LifeLine customers should receive some additional subsidies on top of the normal LifeLine subsidy.

Synchronization with the Federal Lifeline Program and Integration of Affordable Connectivity Program

The Commission should assess whether it is worthwhile to continue to synchronize with the federal Lifeline program or if California's LifeLine program should be more autonomous. California LifeLine customers generally receive subsidies from both the California LifeLine program and the federal Lifeline program. This combined state and federal subsidy makes essential communications services more affordable for LifeLine customers than if they received only the state or only the federal subsidy. California LifeLine customers can only receive the federal subsidy if they adhere to federal rules and eligibility standards. This has led California LifeLine to synchronize with the federal Lifeline program where possible, albeit with somewhat more expansive rules and standards. However, continued synchronization with the federal program may preclude the Commission from adopting revisions to the state program that would have otherwise been considered. For example, if the California LifeLine program became more autonomous from the federal program, California LifeLine could more easily expand LifeLine's eligibility standards or alter LifeLine's enrollment and recertification rules. Additionally,

³ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, DA 21-1389, paras. 13-18 (WCB Nov. 5, 2021).

⁴ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, DA 22-706, paras. 12- 17 (WCB July 1, 2022).

⁵ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, DA 23-589, para.12

the Commission should consider how autonomy from the federal Lifeline program would impact funding for California LifeLine participants as most participants receive approximately 38% of their monthly LifeLine subsidy from the federal Lifeline program. The Commission should consider if the benefits of maintaining federal subsidies are more important than more control over the state program's rules and regulations.

Since the FCC has introduced ACP, which currently offers additional federal support for qualifying broadband plans, the Commission should continue to assess the relationship between California LifeLine and the federal programs supporting affordable broadband.

Leveraging Other Public Purpose Programs

The Commission should consider how it can leverage other public purpose programs to improve the LifeLine program. For example, the LifeLine program could coordinate marketing and outreach efforts with other state or local public purpose programs or coordinate eligibility determinations using existing enrollment databases, among other things. The Commission should evaluate the successes and failures of that pilot as described in the "Boost/CARE Pilot Evaluation Report"⁶ and in D.21-07-008⁷ as it considers a potential extension of the iFoster Pilot.

The ULTSAC commends the Commission on D. 22-05-014 which authorizes the LifeLine Third Party Administrator to complete the process of renewing participants' Program eligibility based on a review of databases of participants of qualifying state or federal programs.⁸ More than 96% of recently enrolled LifeLine participants used a "programmatic" eligibility pathway to qualify for LifeLine, the vast majority of which use participation in either CalFresh or Medi-Cal.⁹ The established connection with the CalFresh database has greatly streamlined the eligibility determinations required for the renewal/recertification process for a large share of LifeLine participants. The Commission should also provide regular updates to the ULTSAC with the LifeLine rulemaking describing

⁶ *Boost/CARE Pilot Evaluation Report*, Communications Division - LifeLine Group, R.20-02-008, March 2, 2021.

⁷ *Decision Addressing the California LifeLine Pilot Programs of Boost Mobile, Inc. and iFoster, Inc.*, D.21-07-008, R.20-02-008, July 19, 2021.

⁸ D. 22-05-014, Conclusions of Law 1, page 13.

⁹ D. 22-05-014, page 7; *California LifeLine Administrator Presentation to the Administrative Committee, September 22, 2021*, "#7 Maximus CA LifeLine – ULTS Ac Mtg Updated 9.17.21.pptx," Maximus, Enrollment Eligibility Method June – August 2021, pages 11-12.

successes and challenges with the database partnership effort to allow interested parties to provide input and help the implementation effort.

Additionally, the Commission's decision to develop a universal application process to where consumers may apply for multiple income-qualified public programs with one application is an ideal step towards simplicity. Attendance in the Concurrent Application System (CAS) meetings may provide additional LifeLine awareness to Consumer Based Organizations and consumers.

Pilot Programs

The Commission should reevaluate how it designs, approves, monitors, and reviews the results from LifeLine's pilot programs. The Commission established the criteria for pilot programs and partnerships within the LifeLine program in D.18-12-019. However, given the apparent shortcomings of the recent Boost/CARE pilot and the challenges in maintaining participation in the iFoster pilot, the Commission should reevaluate how it reviews and approves pilot program proposals to ensure each pilot is set up for success. For example, the Commission could consider adopting a phased approach to pilots, starting with a small proof of concept and later expanding to include more LifeLine participants. Overall, developing a stronger framework for designing, approving, monitoring, and reviewing the results of LifeLine pilot programs will help achieve the goal of testing new and innovative strategies to improve the LifeLine program.

Other Areas the Administrative Committee Wishes to Focus on: Administrative Committee Vacancies

Over the next year, the ULTSAC aims to fill all primary and alternate position vacancies on the Committee. As of June 20, 2023, the most recent ULTSAC Meeting, the ULTSAC has 2 primary position vacancies and 9 alternate position vacancies. Filling these vacant positions is crucial to bringing a diverse set of opinions and perspective to the ULTSAC which will, in turn, allow the Committee to provide better advice to the Commission. To accomplish this goal, the ULTSAC and its committee members will reach out to other advisory boards to access a broader group of potential Committee members. ULTSAC members are also encouraged to advertise the vacant positions within their own professional networks.

Lessons Learned from Audits of LifeLine Service Providers

The ULTSAC would also like to review the results of previous audits on LifeLine service providers to identify lessons learned and improvements that could be applied to all LifeLine service providers. In recent years, several LifeLine service providers have been audited for compliance with LifeLine rules and regulations.¹⁰ These independent audit reports could be a great way to identify areas of improvement in the way the LifeLine program is administered. Therefore, the ULTSAC will evaluate the findings from the LifeLine service provider audits to determine if any lessons learned can be applied to the broader LifeLine program.

Conclusion

The ULTSAC understands that the LifeLine program is constantly evolving and improving over time and hopes that the issues listed here will help the Commission prioritize addressing the issues that will have the greatest impact on LifeLine participants. The ULTSAC looks forward to further discussions between its members and with the Commission on more ways to innovate and improve the LifeLine program.

¹⁰ See, for example, the Independent Accountant's Report of Telescape Communications, Inc. DBA TruConnect – California LifeLine Program, which was completed by the California State Controller's Office on December 16, 2019.

[https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/utility-audits--risk--and-compliance-division/reports/communications/2019/communications 2019-12-16 telescape califeline.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/utility-audits--risk--and-compliance-division/reports/communications/2019/communications%2019-12-16%20telescape%20califeline.pdf)