



# THE NEAR-TERM PATH FOR THE CALIFORNIA LIFELINE PROGRAM

California LifeLine Team  
June 20, 2018  
[www.californialifeline.com](http://www.californialifeline.com)  
<http://cpuc.ca.gov/lifeline/>





## Funding Comparison

California LifeLine Program					
FISCAL YEAR (FY)	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
<i>Authorized Budget</i> (in thousands)	\$280,000	\$282,732	\$298,646	\$483,530	\$485,780
Actual Expenditures (in thousands)	\$186,260	\$185,286	\$292,986	\$465,919	\$429,684

Federal Lifeline Program*					
CALENDAR YEAR (CY)	<b>CY 2012</b>	<b>CY 2013</b>	<b>CY 2014</b>	<b>CY 2015</b>	<b>CY 2016</b>
Actual Expenditures (in thousands)	\$164,402	\$141,420	\$134,761	\$223,252	\$233,797





## Potential Contraction of the Federal Lifeline Program

- Limiting federal funds to rural areas and to broadband infrastructure
- Diminishing the role of resellers, and instead focusing on facilities-based service providers
- Further narrowing the pool of low-income households who can qualify
- Increasing the administrative requirements for service providers and consumers to participate
- Moving universal service funds to the U.S. Treasury



# Potential Contraction of the Federal Lifeline Program

- FCC Commissioner Michael O'Reilly  
“...I have focused on three particular reforms: establishing a real, enforceable budget for the program; targeting the subsidies to those consumers who would not otherwise have service; and ...providing discounted – not free – service by requiring a minimum contribution from as many recipients as feasible...I will continue to press for and will expect to see in any final rules...For some consumers, simply having a voice line or the ability to text is the ‘lifeline’ they want, so requiring providers to offer high speed broadband can be counterproductive.” (Statement accompanying FCC 17-155)
- FCC Commissioner Brenda Carr  
“...I am glad...to increase accountability while at the same time considering ways to target Lifeline support to consumers and communities that need it most. One place where the digital divide is most stark is on Tribal lands...We need to do more to close the digital divide in these communities, and doing so requires us to incentivize greater facilities-based deployment.” (Statement accompanying FCC 17-155)
- FCC Commissioner Ajit Pai  
“We are moving forward on some of our Lifeline reforms...we want to...enhance the incentive of facilities based providers to build out networks in...especially rural and tribal areas. That is where I think the long term benefit could be had, and where I think lifeline funding could be extremely useful.” (May 17, 2018 Testimony at U.S. Senate Committee on Appropriations Subcommittee on Financial Services and General Government beginning at the one hour 27 minute mark <https://www.appropriations.senate.gov/hearings/review-of-the-fy2019-budget-request-for-the-fcc-and-the-ftc>)



## Three Situations that Are Not Funded by the Federal Lifeline Program

Service Provider Lacks ETC Designation

3,027 participants

11 service providers

2<sup>nd</sup> Discounted Phone Line

345 participants

DDTP participant or TTY user

Participant Only Meets CA Criteria

2,102 participants

LIHEAP, NSLP, TANF, WIC, or income 135-150% of FPG



## Potential Areas to Address and Action Items

### AREAS

- Service providers' marketing methods
- Approach to enrolling consumers
- Decreasing program participation
- Limited stakeholder participation
- Lack of coordination and collaboration within the CPUC and state/local governments
- Inefficient compliance with rules

### ACTION ITEMS

- Evaluate the level and methods employed to market the program
- Reconsider the enrollment process
- Reassess consumers' needs
- Recruit more stakeholders
- Develop and implement intra-agency and inter-agency governmental partnerships
- Facilitate ease and efficiency



## Potential Policy Considerations

- Approach to leveraging the federal Lifeline program's funding
- Eligibility criteria
- Entity (entities) enrolling consumers
- Components of the enrollment process
- Types of communications services for which to provide the California LifeLine discounts
- Number and support amount of the California LifeLine discounts



# Upcoming Activities

Issue  
Proposed  
Decision  
about the  
60-Day Freeze  
(July 2018)

Host a  
Webinar  
(July 11, 2018)

Host Public  
Meetings  
(Summer and  
Fall 2018)

Open a New  
Order Instituting  
Rulemaking (OIR)  
to Revise General  
Order 153  
(Fall 2018)

Close  
R.1103013  
and Open  
Another OIR  
(Fall 2018)

Propose  
Changes to  
the Renewal  
Process  
(Fall 2018)