SENATE COMMITTEE ON ENERGY, UTILITIES AND COMMUNICATIONS
Senator Ben Hueso, Chair
2021 - 2022 Regular

Bill No:	SB 394	**Hearing Date:**	3/15/2021
Author:	Hueso		
Version:	2/11/2021 As Introduced		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Sarah Smith		

SUBJECT: Telecommunications: Moore Universal Telephone Service Act

DIGEST: This bill modifies the definition of a "household" for the purposes of determining eligibility for the Lifeline Universal Service Telephone program. This bill clarifies that individuals with the same physical address can have separate Lifeline subscriptions if they are separate economic units.

ANALYSIS:

Existing law:

1) Establishes the Lifeline program by requiring the California Public Utilities Commission (CPUC) to create a class of Lifeline service needed to meet basic communications needs, set rates and charges for the Lifeline program, develop eligibility criteria, and assess progress towards universal service goals, including access to telephone service by income, ethnicity, and geography. Existing law clarifies that minimum communications needs includes the ability to make phone calls and access electronic information services. (Public Utilities Code §873)

2) Defines a "household" for the purposes of determining eligibility for the Lifeline program as a residential address that is the principal place of residence of the lifeline telephone service subscriber. This definition excludes industrial, commercial, or other nonresidential addresses. (Public Utilities Code §872)

3) Restricts subscribers to one lifeline subscription per household and prohibits any other family member or household at the same address from obtaining an additional Lifeline subscription. Existing law prohibits a Lifeline applicant from reporting more than one residential address. (Public Utilities Code §878)

This bill:

1) Re-defines a "household" for the Lifeline program as any group of individuals who living together at the same address as one economic unit. A household can include related and unrelated individuals. If an adult has limited income and lives with someone who financially supports that adult, both persons are part of the same household. A child under 18 years of age living with a parent or guardian is part of the same household as the parent or guardian.

2) Defines an "adult" as any person 18 years of age or older and, an "economic unit" is all adult individuals contributing and sharing the income and expenses of a household.

3) Specifies that multiple Lifeline subscribers may have the same address if they are not members of the same household.

Background

The Lifeline program has evolved to address consumers' needs, but the program still permits only one subscription per household. The Lifeline program was originally established in the mid-1980s to ensure that low income families could afford basic telephone service after the breakup of the Bell telephone system raised concerns about increasing local telephone costs. Since its creation, the Lifeline program has grown to include both federal and state programs and expanded the types of telecommunications services for which low-income Californians can receive discounted service. The federal Lifeline program helps lower a participant's communications bill by $9.25 per month and California's Lifeline program provides $14.85 per month in assistance. These discounts are provided directly to the communications provider. When enrolled in both programs, a California Lifeline subscriber can lower their communications bill by approximately $25 per month.

Most Lifeline subscribers use their benefits to get discounted wireless phone service. In October 2020, the CPUC expanded the services covered by Lifeline to include broadband bundled with voice services. This expansion reflected the growth in broadband usage for basic communications needs as well as the need to improve access to affordable broadband during the pandemic. Despite these updates to the Lifeline program, the program still restricts program participants to one subscription per household.

This bill conforms California's definition of a household to the definition used by the Federal Communications Commission (FCC). In 2012, the FCC adopted a series of rules intended update the Lifeline program. While the FCC's rulemaking retained the requirement that Lifeline subscribers could only obtain one subscription per household, the FCC modified its definition of household to encompass more complex living circumstances. The FCC's updated definition clarified that more than one household can share an address and obtain separate Lifeline subscriptions as long as those households are separate economic units and do not share financial resources. This clarification was intended to address living situations in which unrelated adults share an address but are financially independent from each other.

A number of states adopted this updated household definition through state-level rulemakings; however, California's Lifeline statutes define a household for the purposes of California's state-level Lifeline program. This bill updates California's statutory definition of a household for the purposes of the Lifeline program to conform to the definition adopted by the FCC in 2012. To the extent that the existing staute is a barrier to Lifeline enrollment for otherwise eligible Californians, this bill may encourage Lifeline enrollment.

California has a higher rate of non-related adults sharing the same address than other states. This bill clarifies that non-related adults that share an address may obtain separate Lifeline subscriptions if they are separate economic units. Certain communities are more likely to have non-related adults sharing a residential address. These communities can include seniors in multi-unit assisted living residences, students in student housing, individuals in transitional housing, farm and migratory workers in shared housing, and certain tribal communities. Shared housing arrangements are increasingly common across the United States, but data from the US Census Bureau shows that California has a disproportionately high amount of residents sharing housing. The data indicates that Southern California metropolitan areas have the most crowded housing conditions in the nation and the highest rate of non-related adults sharing a residence.

Prior/Related Legislation

SB 203 (Bradford, Chapter 335, Statutes of 2020), as passed by this committee, would have made a variety of changes to Lifeline enrollment and eligibility, including updating the definition of a household for the Lifeline program to conform to the FCC's definition. The bill was amended into a different subject matter.

SB 704 (Bradford, 2019) would have made various changes to Lifeline enrollment and eligibility, including modifying the program's definition of a household. The bill was vetoed.

AB 2652 (Quirk, 2018) would have required the CPUC to consider a 60-day portability freeze for Lifeline participants seeking to change providers. The bill also would have modified the Lifeline program's enrollment and recertification process. The bill was vetoed.

AB 2537 (Carrillo, 2018) would have established the Lifeline Oversight Board and specify the board's membership and duties. The bill died in the Senate.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

Public Advocates Office
The Utility Reform Network

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

> California is uniquely impacted by the extent to which residents in shared housing may not be eligible for assistance programs due to the lack of eligibility alignment between programs. Southern California metropolitan areas have the highest rate of shared housing in the United States.
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> The FCC recognized the rise in shared housing and clarified that different households sharing the same address qualify for separate Lifeline subscriptions. However, California has not yet updated its Lifeline statues to match the federal definition. As a result, separate households that share the same address in California may not be eligible for a Lifeline subscription at the state level – despite being eligible for separate Lifeline subscriptions at the federal level.
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> The Covid-19 pandemic showed that Californians in shared housing include some of the state's most vulnerable and economically challenged populations. SB 394 is needed to better streamline

eligibility across utility assistance programs for low-income Californians, including the Low Income Heating and Energy Assistance Program (LIHEAP), and ensure that the state can maximize Lifeline enrollment and federal benefits during the remainder of the pandemic and our recovery.

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