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**PRESS RELEASE**

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## **DRA Applauds Extension of LifeLine Rate Cap**

SAN FRANCISCO, November 19, 2010 – The California Division of Ratepayer Advocates (DRA), an independent consumer advocacy office within the California Public Utilities Commission (CPUC), today commended the CPUC for its adoption of an extension of current rates for the statewide program that offers vital telephone discounts to 1.8 million low-income California residents.

The CPUC today voted unanimously to approve a decision extending current caps on the rates that landline telephone service providers offer to low-income customers through the California LifeLine program. DRA had expressed concern to the CPUC that a scheduled January 1, 2011 sunset date for general landline rates in California would have led to a sharp increase in rates for low-income residents, for many of whom reliable and affordable telephone service is a safety issue. The Commission decided today to freeze LifeLine rates at \$6.84 per month through 2012.

The decision also sets into motion an effort to reform LifeLine to allow wireless and voice over internet protocol (VoIP) service customers to access the discount program. As more Californians make the decision to discontinue landline service in favor of the more flexible wireless option, DRA said it believes that LifeLine discounts are vital to make wireless available to customers in a fair, sensible way. DRA said it looks forward to working with the CPUC to develop a comprehensive wireless LifeLine option in the coming months.

“DRA has long argued that the success of LifeLine relies on predictable rates,” DRA acting director Joe Como said. “Today’s decision gives low-income customers certainty that their rates won’t explode in the next two years, and allows the CPUC, DRA, and other stakeholders time to develop a smart wireless option and to ensure the future of this essential public program.”

For more information on DRA, please visit [www.dra.ca.gov](http://www.dra.ca.gov).



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