

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE

Tasha Boerner, Chair

AB 2424 (Carrillo) – As Amended April 7, 2026

SUBJECT: Public Utilities Commission: communications: low-income customers

SUMMARY: This bill increases the size and scope of the Low-Income Oversight Board (LIOB) of the California Public Utilities Commission (CPUC) from 11 to 13 members, as provided, and to include telecommunications. Additionally, the bill imposes additional requirements for the CPUC in administering the Lifeline program.

Specifically, **this bill:**

- 1) Expands the scope of the LIOB to also include telecommunications.
- 2) Specifies that one of the two additional members has expertise in the low-income community and is not affiliated with any state agency or utility group.
- 3) Specifies that one of the two additional members is a representative of wireless lifeline providers and is affiliated with a provider with headquarters in the state.
- 4) Prohibits the CPUC from favoring or disfavoring one technology over another technology in administering the Lifeline program.
- 5) Prohibits the CPUC from unfairly advantaging or disadvantaging one provider over another provider in administering the Lifeline program.
- 6) States the intent of the Legislature that, if a successor agency to the Public Utilities Commission is created, the successor agency shall include low-income telecommunications oversight within its scope and purview.

EXISTING LAW:

- 1) Establishes the LIOB to advise the CPUC on low-income electric, electricity, gas, and water customer issues and to serve as a liaison for the CPUC to low-income ratepayers and representatives.
- 2) Specifies that the LIOB shall be comprised of 11 members, to be selected and apportioned based on specified qualifications.
- 3) Defines “telecommunications service” to mean voice communication provided by a telephone corporation as defined in Section 234, voice communication provided by a provider of satellite telephone services, voice communication provided by a provider of mobile telephony service, as defined in Section 224.4, and voice communication provided by a commercially available facilities-based provider of voice communication services utilizing Voice over Internet Protocol or any successor protocol.
- 4) Establishes the Moore Universal Telephone Service Act, or the California lifeline program. (Public Utilities Code § 871 et. seq.)

- 5) Authorizes the CPUC to annually designate a class of lifeline service necessary to meet minimum communications needs, and to develop eligibility criteria for that service. (Public Utilities Code § 873).
- 6) States the findings and declarations of the Legislature, which include that the furnishing of lifeline telephone service is in the public interest and should be supported fairly and equitably by every telephone corporation, and the commission, in administering the lifeline telephone service program, should implement the program in a way that is equitable, nondiscriminatory, and without competitive consequences for the telecommunications industry in California.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

- 1) *Purpose the bill.* According to the author “AB 2424 seeks to strengthen the California Lifeline Program to include telecommunications issues under the scope of the Low-Income Oversight Board. By adding a seat for a telecommunications expert to the California Public Utilities Commission’s Low Income Oversight Board, the CPUC will have the ability to evaluate complex issues like broadband infrastructure, fraud, service reliability, and pricing. A specialist in telecoms can provide technical insight regarding network deployment and regulatory constraints to present challenges to the program. This expertise is crucial when addressing the digital divide and ensuring that low-income communities receive fair and consistent access to essential communication services. With informed guidance, the board can make more effective recommendations on affordability programs and service quality standards. Adding this expertise will improve accountability and help ensure that California’s most vulnerable residents are not left behind in an increasingly connected society.
- 2) *Low-Income Oversight Board.* The Legislature initially established the LIOB in 2001 to advise the Commission on low-income electric and gas customer issues and to serve as a liaison for the Commission to low-income ratepayers and representatives. The enacting legislation required specific activities for the LIOB to advise the Commission on affordability matters for low-income ratepayers, and described the selection process and types of members allowed to serve on the LIOB. Additionally, the enacting legislation listed the Commission’s duties in conjunction with the LIOB. A few years later in 2005 the LIOB’s duties were expanded by including low-income water customer issues of which the LIOB can advise the Commission.

Under current law, the LIOB consists of 11 members. The plurality of those board positions are required to be reserved for individuals with expertise in the low-income community and who are not affiliated with any state agency or utility group. A number of the spots are also reserved for utility or industry representatives. This bill would add two additional spots, one of which would be specifically for a wireless lifeline provider with a headquarters in the state of California. Based on that criteria, there is likely only one provider that would qualify. However, the Lifeline program has various providers utilizing different technologies to provide service. Reserving one spot for a wireless provider would seem to be inconsistent with another provision of this bill, that would require the commission to administer the program in a technology neutral manner and that does not advantage certain providers over others. However, the requirements of this bill as currently drafted would seem to both favor

one technology and guarantee the appointment of a particular provider to the LIOB. Given inconsistency, the committee may wish to amend this bill to revise the appointment criteria.

- 3) *The CPUC and Telecommunications.* The California Constitution and the Public Utilities Code provides broad powers to the CPUC to supervise and regulate every public utility in the State and do all things which are necessary and convenient in the exercise of such power and jurisdiction¹. Under existing law, telephone corporations, electric corporations, gas corporations, and water corporations are public utilities subject to the jurisdiction of the CPUC. However, the term “telecommunications” is used more loosely in the Public Utilities Code, and whether providers of telecommunications service are public utilities is a subject of debate. Whereas in some segments of the code it is defined narrowly to mean voice communication, in other programs it has been interpreted more broadly by the CPUC to include non-voice communications services like texting and broadband. Notably for the Lifeline program, telecommunications service has been interpreted to include both voice and data services.

This bill proposes to expand the scope of the LIOB to include telecommunications. Based on precedent and practice, it is likely the CPUC would interpret the term to include broadband service. Such an interpretation would be consistent with a recent CPUC decision that authorized a broadband pilot as part of the Lifeline program. Notably, this committee in recent years has had robust discussions about the jurisdiction of the CPUC as it relates to broadband service and has considered bills that would transfer oversight of broadband programs to an entity outside of the CPUC. This bill, by expanding the scope of the LIOB to include telecommunications, may further formalize a role for the CPUC related to broadband services. However, in consideration of the possibility that another agency may be established, this bill includes findings and declarations that reflect the intent of the Legislature that if a successor agency to the Public Utilities Commission is created, the successor agency include low-income telecommunications oversight within its scope and purview.

In the event that the Legislature does establish a new agency to regulate broadband and telecommunications related programs, such as under AB 2289, it is not clear how an expanded LIOB could be transferred without impacting the existing scope of work. Further, the LIOB has historically focused on affordability concerns related to public utilities provided by monopoly providers. The telecommunications marketplace is broadly significantly different, with a broad range of providers utilizing different technologies and operating sometimes under different sets of laws and regulations. While adding two new seats to the LIOB, one of which focuses on telecommunications, may appear to expand the focus of the LIOB it would still primarily consist of representatives with experience and expertise outside of the telecommunications industry. Given these issues and understanding the author’s intent, the committee may wish to amend this bill to instead create a separate board outside of the LIOB. In that case, such a board could be transferred to a successor agency, and that board could focus specifically on telecommunications issues. Such a board would also benefit from a more specialized focus and membership with a relevant set of experience.

- 4) *Similar/related legislation.*

¹ Public Utilities Code § 701

- a. AB 2289 (Boerner) of this session would establish the Office of Broadband and Digital Equity. That bill is pending in this committee.
- b. SB 1480 (Allen) of 2024 would have expanded the scope and membership of the LIOB to include telecommunications. The bill was held in Senate Appropriations.
- c. SBX 2 (Alacron, Statutes of 2001) established the LIOB.
- d. SB 580 (Escutia, Statutes of 2005) expanded the scope of the LIOB to include water.

5) *Committee amendments.*

- a. Strike provisions of this bill relating to the LIOB, and instead establish a separate Low-Income Telecommunications Advisory Board with duties similar to the LIOB and consisting of 5 members.
 - i. Of the 5 members, the positions shall be apportioned as follows: two for general members that are not affiliated with the industry, one wireless provider offering service in California, one wireline provider offering service in California, and one spot for an individual representing organization with experience advocating before the CPUC.
- b. Revise Section 3 of this bill pertaining to discrimination and technology neutrality, to specify the commission shall administer the Lifeline program in a technologically inclusive manner, that does not exclude any technologies or unreasonably favor one technology over another. Specify that the commission shall not discriminate against providers by adopting rules that favor or disfavor certain providers, while qualifying that the CPUC retains enforcement authority over providers.

REGISTERED SUPPORT / OPPOSITION:

Support

Energy Transition Collective

Opposition

Calbroadband

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