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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Proceeding to Consider Changes to
the Commission's Carrier of Last
Resort Rules.

Rulemaking 24-06-012

**ADMINISTRATIVE LAW JUDGE'S RULING ISSUING STAFF PROPOSAL
FOR COMMENT**

This Ruling notices proposed rule changes to the California Public Utilities Commission's (Commission) carrier of last resort (COLR) rules,¹ as well as the definition of basic service.² The proposal is offered by the Commission's

¹ The definition of a COLR is "A local exchange service provider that stands ready to provide basic service to any customer requesting such service within a specified area. To be a COLR, the provider must meet Commission-approved qualifications." A COLR is required to provide all elements of basic service, as well as participate in the California LifeLine Program.

² D.96-10-066 at 109 states that Residential Basic Telephone Service, or "basic service" currently involves at a minimum, that nine service elements must be offered on a nondiscriminatory basis by any carrier providing within California, including Lifeline rates for eligible customers, free access to 9-1-1, Telephone Relay Service, and directory and operator services. Any carrier may use any technology to satisfy any obligation to provide basic service. Available as of this writing at: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-mapping-program/broadband-public-feedback/basic-service-definition>.

D.12-12-038 at Appendix A, revised the definition of the elements of basic service include the following:

- Offering customers the ability to place and receive voice-grade calls over all distances utilizing the public switched telephone network or successor network;
- Free access to 9-1-1/Enhanced (E) 9-1-1 service;
- Access to directory services;

Footnote continued on next page.

Communications Division (Staff Proposal). The Staff Proposal is included with this Ruling as Attachment A.

Parties are asked to comment on the Staff Proposal, and to answer questions listed in Section 2 of this Ruling. Opening comments must be filed by January 23, 2026. The deadline for reply comments is February 6, 2026.

1. Background

The Commission adopted COLR obligations (COLR Rules) in Decision (D.) 96-10-066.

D.96-10-066 designated each of the incumbent LECs listed as the COLR in their respective service areas (also called geographic study areas, or GSAs) at least until such time that another carrier or carriers are designated as the COLR in those areas. The COLR Rules require a designated COLR to serve all customers upon request for basic service, both residential and business, who are located within the COLR's designated service area, including high-cost GSAs.³

Appendix B of D.96-10-066 contains the Commission's Universal Service Rules, including 6.D.1, which designates all incumbent LECs listed in Attachment A of that decision as the COLR in all their respective service areas at

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- Billing Provisions;
 - Access to 800 and 8YY Toll-Free Services;
 - Access to Telephone Relay Service as provided for in Pub. Util. Code Section 2881;
 - Free access to customer service for information about Universal Lifeline Telephone Service (ULTS) service activation, service termination, service repair and bill inquiries;
 - One-time free blocking for information services, and one-time billing adjustments for charges incurred inadvertently, mistakenly, or without authorization; and
 - Access to operator services.

³ D.96-10-06, at Appendix B, Adopted Universal Service Rules 6.D.5.

least until such time that another carrier or carriers are designated as the COLR,⁴ and Rule 6.D.7, which allows a designated COLR to opt out of its obligations by advice letter unless it is the only carrier remaining in the service territory in which case it must file an application to withdraw as the COLR, and continue to act as the COLR until an application to withdraw is granted or a new COLR has been designated as a result of an auction.⁵ The Commission's COLR Rules also include a process to replace the last remaining COLR.⁶

Under Appendix C, Section 6(c) in D.12-12-038 and Appendix B, 6.D.7 and all of 6.E. in D.96-10-066, the Commission may grant a COLR withdrawal application in one of two ways: (a) another carrier is identified and is willing to serve as a COLR or (b) a reverse auction is held, and the result is another carrier comes forward and is willing (and able) to serve as a COLR. If no replacement COLR is identified in the application or if a replacement COLR does not come forward once the application has been filed, the Commission must hold a reverse auction.⁷ If no replacement carrier is identified in the reverse auction process, then the Commission must deny the COLR withdrawal application under current rules.

Decision 12-12-038 affirmed the Commission's COLR Rules and revised the elements of basic service.

2. Questions for Parties

The Staff Proposal, which if adopted would revise the Commission's COLR Rules, is contained in Attachment A of this Ruling. Parties are asked to

⁴ *Id.*, Adopted Universal Service Rules, 6.D.6a.

⁵ *Id.*, at Appendix B, Adopted Universal Service Rules, 6.D.7 and 6.E.

⁶ *Id.*

⁷ *Id.*

comment on whether the Commission should adopt, revise or reject each component of the Staff Proposal. Additionally, parties are asked to respond to the questions, organized by chapter and listed below.

Chapter II: Modernizing Access to Essential Communications

Services

1. Should the Commission include standalone broadband as a requirement of “Modernized Essential Communications Services?”

Chapter IV: Significant Consumer Choice - Withdrawal Process:

Pre- Application Phase

1. How should the Commission limit the scope of a COLR withdrawal application?
2. What should be the maximum number of customers affected?
3. What is a reasonable limit on the size of geographic span in which a COLR may seek to withdraw?
4. Must the proposed withdrawal area be contiguous?

Chapter IV: Significant Consumer Choice - Withdrawal Process:

Application Phase

1. What documentation would provide sufficient evidence of consumer choice?
2. If a replacement COLR is not designated, is a customer transition plan necessary? If so, what elements should the transition include?

Chapter IV: Significant Consumer Choice - Withdrawal Process:

Provisional Withdrawal Period

1. How long should the COLR be required to provide basic service to existing customers after the withdrawal decision is approved?

2. How can the provisional withdrawal period be structured to ensure that all customers are able to find alternative service before the withdrawal is made permanent? Is it necessary for the Provisional Withdrawal period to continue after the COLR is permitted to cease offering basic service?
3. What information should customers provide as part of the extended customer input process?
4. Identify any other data that should be included in the required reporting.

Chapter IV: Significant Consumer Choice - Withdrawal Process:

Conclusion of Provisional Withdrawal Period

1. What should the standards be for the Commission to determine if a COLR has passed or failed the provisional withdrawal period?
2. If the Commission restores COLR obligations, how should the area be determined? Should the COLR obligation be restored throughout the entire area identified in the application/ decision? Or should specific areas be carved out?

Chapter IV: Significant Consumer Choice: Post-Withdrawal Phase

1. For Significant Consumer Choice areas where the COLR chooses to withdraw, what are the net costs (total costs minus savings associated with COLR withdrawal) associated with withdrawing from COLR obligations?

Chapter V: Limited Consumer Choice - COLR Requirements

1. For Limited Consumer Choice areas where the COLR chooses to withdraw, what are the net costs (total costs minus savings associated with COLR withdrawal) associated with deploying infrastructure capable of delivering indoor broadband speeds of 100 Mbps download and 20 Mbps upload and sufficient latency to enable VoIP to all Broadband Serviceable Locations in the area within five years of the Application's approval date?

Attachment C – Application Phase

1. If the COLR intends to use availability of mobile providers as evidence of significant consumer choice within an area, the COLR shall provide documentation of the results of its own testing of mobile service availability and usability throughout the area utilizing the Commission’s CalSpeed app.⁸ What should the sample size and testing method be to verify coverage and usability of voice service indoors?

3. Submission

As a reminder to parties, the schedule indicated in the Assigned Commissioner’s Scoping Memo and Ruling states that the proceeding stands submitted effective on the filing deadline for Reply Comments.⁹

IT IS RULED that:

1. Notice is given of the Staff Proposal contained in Attachment A.
2. Opening comments on the Staff Proposal in Attachment A are due on or before January 23, 2026. Reply comments are due on or before February 6, 2026.

Dated December 15, 2025, at San Francisco, California.

/s/ THOMAS J. GLEGOLA

Thomas J. Glegola
Administrative Law Judge

⁸ The Commission’s CalSPEED program measures the reliability, quality, and availability of mobile wireless services. CalSPEED uses its own software in smartphones to take measurements at about 4,000 locations in urban, rural, and Tribal areas across California.

⁹ Assigned Commissioner’s Scoping Memo and Ruling, issued February 4, 2025, at 9.