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# Carrier of Last Resort and Network Modernization Staff Proposal (R.24-06-012)

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Communications Division

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**Carrier of Last Resort and Network Modernization****Communications Division Staff Proposal**

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## Executive Summary

The principle of universal service stems from the commitment that all Californians, no matter where they live, should have access to essential communications services to advance public safety by keeping the public connected. California's commitment to Universal Service started in 1994 through Assembly Bill (AB) 3643 with the legislative intent to ensure widespread availability of high-quality communications services to all Californians. Universal service principles of access, reliability, quality and affordability commitments are now codified in Public Utilities Code Section 709.

Though California's commitment to universal service preceded efforts at the federal level to encourage consumer choice in the communications industry, as embodied in the federal Telecommunications Act of 1996, there continues to be an explicit commitment to preserve universal service. Universal service principles include rules related to Carrier of Last Resort or COLR obligations to serve Californians. The Communications Division (CD) of the California Public Utilities Commission (Commission or CPUC) has carried out a detailed analysis of current COLR rules consistent with Commission Rulemaking (R.) 24-06-012. This CD staff proposal (Staff Proposal) does not change the designation nor definition of what companies are currently designated as a COLR in California. However, this Staff Proposal provides the below recommendations to modernize access to essential service and replace the current existing COLR obligations and requirements with the following:

- The definition of Basic Service should be updated to Modernized Essential Service that includes five elements:
  1. A voice-grade reliable<sup>1</sup> connection enabling two-way voice calls across all distances through the Public Switched Telephone Network (PSTN) at a simple rate clearly articulated on the company's website.<sup>2</sup>
  2. Offer California LifeLine<sup>3</sup> service for bundled voice and broadband service or standalone broadband service for eligible customers.

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<sup>1</sup> Voice over Internet Protocol (VoIP) offered as a component of Modernized Essential Service must also include the opportunity for customers to obtain Customer Premise Equipment from the COLR capable of 72 hours of backup power.

<sup>2</sup> CD Staff recommend remaining vigilant regarding the terms and conditions and pricing practices of providers of Modernized Essential Service. COLRs must submit a Tier 2 Advice Letter (AL) to the Commission for approval detailing the terms and conditions of the Modernized Essential Service. COLRs that continue to offer Basic Service must continue to comply with CPUC tariff requirements.

<sup>3</sup> The California LifeLine program provides a discount for voice and broadband service for eligible consumers: <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline>

3. Free access to emergency services through 911, including all successor versions of the 911 systems such as Enhanced 911 or Next Generation 911.
  4. Free access to California Relay Service.
  5. Free access to Toll-Free 800 and 8YY numbers, as well as all 3-digit public services such as 211, 311, and 988.
- The Commission's COLR rules should deliver essential communications services that Californians need and rely on, and COLR rules should be modernized to ensure every Californian continues to have access to essential communications services in the interest of public safety and keeping Californians connected.
  - California consumers have varying degrees of choice in communications service provider(s) where they live.
    - **Significant Consumer Choice** includes areas where there are 2+ Qualified Providers, excluding the COLR –OR- 1 Qualified Provider excluding the COLR plus ubiquitous reliable coverage by 2 facilities-based mobile providers (subject to proof of service). Additionally, at least 1 wireless LifeLine provider and 1 wireline LifeLine provider, excluding the COLR, must be present to meet this standard.
    - **Limited Consumer Choice** includes areas that do not meet the definition of Significant Consumer Choice such as where only the COLR offers wireline service –OR- 1 Qualified Provider, excluding the COLR, plus ubiquitous reliable coverage by fewer than 2 facilities-based mobile providers (subject to proof of service).
  - COLR obligations may not be necessary in certain parts of California where consumers have Significant Consumer Choice to obtain essential service and remain connected. Section IV of this Staff Proposal provides a detailed application process for COLR obligations withdrawal with clear and detailed benchmarks a COLR must meet.
  - COLR obligations remain necessary in parts of California where there is Limited Consumer Choice to obtain essential communications services. Section II of this Staff Proposal provides updates to COLR obligations for existing COLRs that reflects the requirement to continue to provide basic service for up to five years following a decision, after which COLRs would be required to offer Modernized Essential Services.
  - Where COLR obligations remain, a COLR may choose a path to be relieved of COLR obligations by (1) identifying another COLR to take over its obligations, or (2) on its

own accord, committing to modernizing its existing network to bring it up to date in delivering today's baseline essential communications services and continuing to provide essential services for no less than 15 years.

# I. Background

## Legal and Procedural Context

Historically in the United States, private companies owned nearly all telephone networks but were regulated as public utilities because they provided an essential public service. Each state designated an incumbent local telephone company for a given geographic area, and, in exchange for agreeing to serve all customers in that region at affordable rates as a carrier of last resort (COLR), the government allowed the company to earn a reasonable return.<sup>4</sup> COLR obligations required incumbent telephone companies to build out facilities and provide basic telephone service to all locations in its service territory, including remote locations where per line costs were above average. To offset the higher costs, government subsidized service with high-cost funds.

At one point, every state had its own version of COLR obligations for telephone service, and over time states either modified those obligations or abandoned them completely on account of competition or the perception of competition. More recently, state legislatures have shifted their focus from telecom deregulation to modernizing communications networks through broadband deployment and adoption programs.

Carriers of last resort in the telecommunications context generally have the following obligations, among others:

- Provide Basic Service to all customers within their designated territory, including remote locations.
- Obtain approval from the state before being relieved of those obligations.
- Charge prices that are just and reasonable.
- Serve as an eligible telecommunications carrier to offer federal Lifeline.
- Meet service quality standards.

COLRs are obligated to ensure customers have access to critical communications services, including 911, Lifeline, and relay services, among others. Following the passage of the Telecommunications Act of 1996, some states assigned COLR obligations to competitive carriers, either in addition to the incumbent carrier or as a replacement for the incumbent. The Act retained its commitment to the principle of universal service<sup>5</sup> stating:

“(1) Quality and rates

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<sup>4</sup> Nuechterlein, Jonathan, and Philip Weiser, *Digital Crossroads: Telecommunications Law and Policy in the Internet Age (Second Edition)*. July 2013. Page 33.

<sup>5</sup> 47 U.S.C. § 254



Quality services should be available at just, reasonable, and affordable rates.

(2) Access to advanced services

Access to advanced telecommunications and information services should be provided in all regions of the Nation.

(3) Access in rural and high-cost areas

Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.”

## Universal Service Commitment

Universal service is the principle of ensuring that no Californian is excluded from access to essential communications services. Though California’s commitment to universal service precedes moves at the federal and state levels to encourage competition and consumer choice in telecommunications markets that were embodied in the federal Telecommunications Act of 1996, the transition to telecommunications competition and consumer choice required a renewed and explicit commitment to preserve universal service. As industry experts Jonathan Nuechterlein and Philip Weiser observed, the transition to this new paradigm “seemed to dispense with the natural-monopoly premise,” or the notion that consumer needs could be optimally and efficiently met by a single provider granted monopoly status to serve a given area in exchange for direct regulation of rates and underlying service, but “Congress could not repeal the laws of economics...[and] in many settings, it remained commercially infeasible for new wireline competitors to build brand-new telephone networks bridging the last mile to all of their subscribers’ buildings.”<sup>6</sup>

Accordingly, in seeking to modernize state policy in light of the new federal paradigm in telecommunications regulation and new technological developments in telecommunications services that have continued in the intervening years, the California state legislature codified an intent for the state and the California Public Utilities Commission (CPUC or Commission) to pursue universal service and ensure widespread availability of high-quality essential communications services to all Californians regardless

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<sup>6</sup> *Ibid.*, 12.

of geography, race, income, disability status, or any other consideration, guided by core principles of access, reliability, quality and affordability commitments.<sup>7</sup>

Carrier of Last Resort (COLR) obligations are an important part of achieving universal service because these obligations legally require COLR companies to offer and provide basic service to all customers in the company's service territory that requests it. The CPUC adopted the rules governing COLR obligations and an associated definition of basic service in 1996,<sup>8</sup> subsequently updating the basic service definition and confirming the COLR framework as a critical element of ensuring universal service in 2012.<sup>9</sup> A map of the current COLRs in California is shown in Attachment B.

The communications marketplace has undergone significant transformation since enactment of the federal Telecommunications Act of 1996, which emphasized consumer choice. Even in the advancement of communications services and changes in the industry, the concept of universal service prevails and the continuation for COLR obligations remain in California. The level of customer choice varies by community, and while some Californians may have the opportunity to choose between communications service providers, many Californians have either limited or no choice in providers for reliable, modern, essential communications services. This is especially true for Californians in communities that communications service providers on their own determine that it less profitable to serve, such as rural or low-income communities, or for those who rely on accessibility services, such as California Relay Service or California LifeLine.

## Carrier of Last Resort Rules in California

Following the passage of the Telecommunications Act of 1996, the CPUC issued D.96-10-066, which adopted final rules on how universal service would be carried out in California as the local exchange telephone markets were opened to competing carriers. The primary goal was to ensure that residential basic telephone service would be available throughout the state at affordable rates. Today, California has 16 COLRs that are required to provide basic service to any customer in the COLR's service territory that requests it. See Attachment B to this Staff Proposal for a list and map of California's COLRs.

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<sup>7</sup> This commitment is codified as Public Utilities (Pub. Util.) Code 709, in addition to other areas of statute and Commission precedent.

<sup>8</sup> Decision (D.) 96-10-066, October 25, 1996, p. 424; issued in Rulemaking (R.) 95-01-020 and Investigation (I.) 95-01-021.

<sup>9</sup> D. 12-12-038, December 24, 2012, p. 54-55; issued in R. 09-06-019.

On March 3, 2023, Pacific Bell Telephone Company d/b/a/ AT&T California (AT&T) filed an application for relief from its COLR obligation in most of the company's service territory.<sup>10</sup> The Commission's COLR withdrawal rules, which were adopted in Decision (D.) 96-10-066 and affirmed in D.12-12-038, require the presence of an existing COLR in the service territory or a new COLR in the area. No other COLR served AT&T's service territory, and no potential COLR applied to replace AT&T despite adequate notice being provided to other potential COLRs. Accordingly, on June 20, 2024, the CPUC dismissed AT&T's application.<sup>11</sup>

On June 20, 2024, the Commission initiated Rulemaking (R.) 24-06-012 to consider changes to the COLR rules first adopted in D. 96-10-066 and subsequently updated in D. 12-012-038.

The issues the Commission identified in the new rulemaking were<sup>12</sup>:

1. Is it still necessary for the Commission to maintain its COLR rules? Here, the Commission adopts a rebuttable presumption that the COLR construct remains necessary, at least for certain individuals or communities in California.
2. Should the Commission revise the definition of a COLR, and if yes, how should the Commission revise that definition? What should be the responsibilities of a COLR?
3. Should the Commission revise how it defines a COLR's service territory?<sup>12</sup>
4. Are there regions or territories in California that may no longer require a COLR? Are there regions that require COLR service? If yes, how should the Commission distinguish between the two? What criteria should be met for a region or territory to no longer require COLR designation?
5. Can the Commission require Voice over Internet Protocol (VoIP) providers to be COLRs? If yes, should the Commission designate VoIP providers as COLRs?

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<sup>10</sup> Application of Pacific Bell Telephone Company D/B/A/ AT&T California (U 1001 C) for Targeted Relief From Its Carrier of Last Resort Obligation and Certain Associated Tariff Obligations. Application (A.) 23-03-003. Filed March 3, 2023. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K977/502977267.PDF>

<sup>11</sup> D. 24-06-024, Decision Dismissing With Prejudice the Application of AT&T California to Withdraw as a Carrier Of Last Resort, Issued in A. 23-03-003, June 25, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M534/K542/534542934.PDF>. See Finding of Fact 6 ("No potential COLR volunteered to replace AT&T as a COLR"), Conclusions of Law 1-4, and Ordering Paragraph 1.

<sup>12</sup> Order Instituting Rulemaking Proceeding to Consider Changes to the Commission's Carrier of Last Resort Rules, Pages 4-6. June 28, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M534/K685/534685783.PDF>

6. Can COLR service be provisioned using wireless voice service? Can the Commission direct wireless voice providers to serve as COLRs? If yes to both, should the Commission designate wireless voice providers as COLRs?
7. If the Commission does not have the authority to require a wireless voice provider to offer COLR service, is a wireless voice provider eligible to volunteer to be a COLR? If yes, should the Commission grant such an application? Should the requirements of a potential wireless COLR be different than a COLR offering Plain Old Telephone Service (POTS) or VoIP service?
8. Should the Commission revise the requirements of basic service? If yes, which requirements or elements should be revised, and what should those revisions be?
9. Should the Commission revise the subsidy amount offered for participation in the California High Cost Fund-B? What is an appropriate subsidy amount and how should it be calculated?
10. Should the Commission revise its rules for how and when a COLR is allowed to withdraw from its designated service territory? If so, how should the Commission revise its rules? Should the Commission require that the service of a potential replacement COLR be functionally similar to that of the current COLR? If yes, what similar functionality requirements should the Commission adopt?
11. When should a COLR seeking to withdraw be required to notify residents in the COLR territory of its request to withdraw? What should be included in the contents of that notification? What method(s) should be used for notification?
12. If a COLR applies to withdraw, and a new COLR is designated, is there a need for a customer transition period? If yes, how long should that transition period last? What customer service protections, if any, should the Commission impose as part of a customer transition period? What other elements or processes, other than customer protection, should be provided in a customer transition period? How long should a customer transition period last?

Based in part on Initial Proposals and reply comments filed by parties in the proceeding, these issues were further refined and articulated in the Assigned Commissioner's Scoping Memo (Scoping Memo) in February of 2025.<sup>13</sup> The Scoping Memo identified the following issues for consideration:

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<sup>13</sup> Assigned Commissioner's Scoping Memo and Ruling, filed February 4, 2025.  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M555/K967/555967147.PDF>

1. What communications needs or activities still require COLR service?
2. Current COLR service requirements are technology neutral, meaning a COLR must offer basic service to any resident in its service territory that requests it, but may determine what technology to use to provide that service. Should the Commission revise this standard of technology neutrality? If yes, what parameters should be used to determine whether a COLR satisfies the requirement to provide a voice grade connection irrespective of the underlying technology?
3. Should the Commission revise the requirements of basic service? If yes, which requirements or elements should be revised, and how?
  - a. Should the requirements of basic service be different, depending on the technology used to deliver service?
  - b. Are there elements of basic service that are not technology-neutral? If so, are there changes that could make those elements technology neutral?
4. Should the Commission revise its processes for allowing withdrawal of COLR obligations? Under what conditions should the Commission allow a COLR to withdraw? Can the Commission grant a COLR withdrawal while still requiring other discrete common carrier obligations?
5. As part of this proceeding, should the Commission de-designate certain areas that currently are in a COLR's service territory, from requiring a COLR? What are those areas?<sup>14</sup> What conditions must be met for the Commission to do so?
6. When should a COLR seeking to withdraw be required to notify residents in the COLR territory of its request to withdraw? What should be included in the contents of that notification? What method(s) should be used for notification?
7. If a COLR applies to withdraw, and a new COLR is designated, is there a need for a customer transition period? If yes, how long should that transition period last? What customer service protections, if any, should the Commission impose as part of a customer transition period? What other elements or processes, other than customer protections, should be provided in a customer transition period? How long should a customer transition period last?
8. With regard to impacts on environmental and social justice communities, and the achievement of the goals in the Commission's Environmental and Social Justice

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<sup>14</sup> For example, AT&T opines that uninhabited census blocks should not require a COLR. See, AT&T, Opening Comments, filed September 30, 2024, at 30-31.

Action Plan, how should the Commission ensure that the prohibition on redlining affirmed in D.95-12-057 and D.95-07-056 applies to providers who may no longer serve as a COLR in a particular area, in accordance with Goal 3.4?

This Staff Proposal provides recommended solutions for the identified Scoping Memo issues supported by parties' comments, workshops, company information, and other research material.

## II. Modernizing Access to Essential Communications Services

### Current Basic Service

Pursuant to legislative direction enacted as AB 3643 by Assemblymember Richard Polanco,<sup>15</sup> the Commission first established a formal definition of the elements of “basic service” in 1996 to ensure all residential customers in California, regardless of their location or income, could expect a certain minimum, uniform level of service.<sup>16</sup> In 2012, the Commission subsequently revised the definition of basic service and explicitly clarified that the elements of basic service are technology neutral, meaning “any carrier may use any technology to satisfy any obligation to provide basic service.”<sup>17</sup>

The Commission adopted and revised the elements of basic service pursuant to legislative direction contained in AB 3643,<sup>18</sup> which directed the Commission to define the obligations for COLRs based on principles including:

- Essential telecommunications services should be provided at affordable prices to all Californians regardless of linguistic, cultural, ethnic, physical, geographic, or income considerations.
- In order to avoid an “information rich” and “information poor” stratification, there must be an ongoing evaluation of which services are deemed essential and therefore a part of universal service.

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<sup>15</sup> Statutes (Stats.) of 1994, Chapter 278.

<sup>16</sup> D. 96-10-066, Conclusion of Law 11, p. 397

<sup>17</sup> D.12-12-038, Appendix A, p. A-1

<sup>18</sup> Stats. 1994, Chapter 278.

Additionally, AB 3643 directed the Commission to develop “a process to periodically review and revise the definition of universal service to reflect new technology and markets,” particularly emphasizing the role of “new technologies” in “education, health care, and the workplace.”<sup>19</sup>

In response to AB 3643, the Commission adopted D.96-10-066, establishing a definition of basic service consisting of 17 discrete elements.<sup>20</sup> In establishing this definition, the Commission echoed the Legislature in noting “there must be an ongoing evaluation of which services are deemed essential,” with the objective of “avoid[ing] classes of information rich and information poor customers.”<sup>21</sup> Evaluations of the elements of basic service include the following criteria:

- Whether the service is essential for participation in society.
- Whether a substantial majority, such as 65 percent, of residential customers subscribe to the service (given the availability of the service, the degree to which the service has been promoted by the carrier, the level of customer education, and the communities being targeted for marketing and use of the service).
- Whether the qualitative and quantitative benefits of adding the service outweigh the costs.
- Whether availability of the service or the number of subscribers would not increase without intervention.

The Commission also indicated that such an evaluation should “consider” these listed criteria, but that the respective weights of different criteria should be “developed on a case by case basis,” because “a situation may arise where certain criteria and policy considerations outweigh other criteria and considerations.” In other words, the Commission established a framework for considering which elements of basic service should be added, modified, or removed, especially emphasizing whether an element could be considered “essential” for participation in society but may not be available to all customers without direction from the Commission for a provider to offer the service, with significant discretion provided to the Commission in determining how to weigh competing criteria or policy considerations as technology and the telecommunications market developed.<sup>22</sup>

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<sup>19</sup> D.12-12-038. p. 3-4

<sup>20</sup> D.96-10-066, Appendix B, p. 460-461.

<sup>21</sup> D.96-10-066, Page 47.

<sup>22</sup> D.96-10-066, Conclusions of Law, 21

The Commission in D.12-12-038 revised the definition of residential basic service by consolidating existing requirements into a streamlined framework set forth in Appendix A<sup>23</sup> of that decision. The revised rules require COLRs to provide basic service on a nondiscriminatory basis to all residential households and businesses within their service territories<sup>24</sup> and to maintain tariffs through a Tier 2 Advice Letter that clearly specifies the rates, terms, and conditions of service.<sup>25</sup> Where multiple technologies are used, each must be separately tariffed. COLRs are also required to inform customers of their right to purchase basic service and prohibited from misrepresenting other services as meeting the Commission's definition.<sup>26</sup> Basic service must additionally be made available without contract requirements or early termination fees.<sup>27</sup> Finally, the Commission emphasized that basic service remains technology-neutral, permitting carriers to meet their obligations through any technology or combination of technologies, provided that the minimum service standards are satisfied.

In adopting the revised definition, the Commission emphasized the importance of balancing flexibility with the preservation of universal service principles.<sup>28</sup> The basic service definition ensures that all Californians retain access to a minimum level of telecommunications service at affordable rates, regardless of technological or market developments. In other words, the Commission reaffirmed the paramount importance of ensuring that all Californians have access to essential communications services, irrespective of the technology used to supply those services.

There are currently nine elements of basic service, as revised in D.12-12-038:

- The ability to place and receive voice-grade calls over all distances utilizing the public switched telephone network or its successor network;
- Free Access to 911/Enhanced 911 service;
- Billing provisions: flat-rate options for unlimited incoming and outgoing calls, and California Lifeline rates and charges for eligible customers;
- Directory services: access to directory assistance within the customer's local community; options for listed or unlisted directory listings; and options for free white pages telephone directory;
- Access to 800 and 8YY toll-free services;

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<sup>23</sup> D.12-12-038, Appendix A, p. A-1.

<sup>24</sup> D.12-12-038, Appendix C

<sup>25</sup> D.12-12-038, Appendix A, p. A-6

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> D.12-12-038, p. 27.



- Access to telephone relay service as provided in Pub. Util. Code Section 2881;
- Access to customer service information about Universal Lifeline Telephone Service, service activation, termination, and 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.

Attachment A to this Staff Proposal provides a case-by-case evaluation of each of the elements of basic service guided by the principles established in legislative intent and Commission precedent.

## Modernized Essential Service

As discussed throughout the preceding section, many elements of the current basic service paradigm are rooted in an earlier era of the telecommunications industry in which customers primarily depended on wireline voice services. Today, customers primarily depend on a reliable connection to a broadband network capable of supporting advanced services, in addition to a voice-grade connection. CD staff therefore recommend adopting the following definition of Modernized Essential Service going forward to better support the needs of customers, advance public safety, and ensure customers remain connected. The elements of Modernized Essential Service should include:

1. A voice-grade reliable connection<sup>29</sup> enabling two-way calls across all distances through the Public Switched Telephone Network or successor network at a simple rate clearly articulated on the company's website.<sup>30</sup>
2. Offer California LifeLine<sup>31</sup> service for bundled voice/broadband service or standalone broadband service.
3. Free access to emergency services through 911, including all successor version of the 911 system such as Enhanced 911 or Next Generation 911.
4. Free access to California Relay Service.

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<sup>29</sup> VoIP offered as a component of Modernized Essential Service must also include the opportunity for customers to obtain Customer Premise Equipment from the COLR capable of 72 hours of backup power.

<sup>30</sup> CD Staff recommend remaining vigilant regarding the terms and conditions and pricing practices of providers of Modernized Essential Service. COLRs must submit a Tier 2 Advice Letter (AL) to the Commission for approval detailing the terms and conditions of the Modernized Essential Service. OLRs that continue to offer Basic Service must continue to comply with CPUC tariff requirements.

<sup>31</sup> The California LifeLine program provides a discount for voice and broadband service for eligible consumers: <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline>

5. Free access to Toll-Free 800 and 8YY numbers, as well as all 3-digit public services such as 211, 311, and 988.

In addition to the five Modernized Essential Service elements, COLRs must provide the service in a manner that meets the following general requirements.

1. A COLR provider must file a Tier 2 Advice Letter (AL) with the CPUC for its modernized essential service offerings which must include the service rates, charges, terms, and conditions; and must make this information publicly available. Requirements for customer notice and/or Commission filings for revisions in Modernized Essential Service rates, charges, terms, and/or conditions must be made in accordance with the applicable requirements set forth in General Order 96-B.
2. If a carrier chooses to offer Modernized Essential Service in all or part of its service territory using multiple, different technologies, each type of offering must be detailed including the terms and conditions and pricing practices of providers of Modernized Essential Service via a Tier 2 Advice Letter (AL) to the Commission for approval detailing the terms and conditions of the Modernized Essential Service. This requirement does not extend beyond Modernized Essential Service.
3. Each COLR provider must clearly inform all potential residential subscribers who contact the provider prior to initiating service of their option to purchase Modernized Essential Service and to subscribe to Modernized Essential Service on a month-to-month basis with no termed contracts.
4. A provider must not represent to customers, or in advertising or by any other means, that any services, service elements, or service conditions, except those authorized by the Commission, constitute Modernized Essential Service in California.
5. Until the Commission determines the extent to which new service quality standards should be adopted for carriers, a provider that wishes to offer Modernized Essential Service utilizing anything other than traditional exchange-based wireline technology that cannot comply with all the requirements of General Order 133-D, or its successor, must file a Tier 3 advice letter.
6. This filing must indicate what General Order 133-D, or its successor, service quality measurements and reporting procedures it can comply with, those it can provide functionally equivalent reporting information for and lastly what measurement and reporting requirements are not applicable to the technology it is using to provide Modernized Essential Service. This filing must further indicate how the new service or new technology maintains Modernized Essential Service and service quality standards.

These services highlight the ongoing need for guaranteed access to a minimum level of communications service while also emphasizing that COLRs must adapt their networks to enable customers to access modernized versions of essential services, such as a LifeLine

discount for bundled voice and broadband service or standalone broadband service. In the Scoping Memo, the Commission clarified that broadband is within the scope of this proceeding.<sup>32</sup> The Commission has recognized that basic service is technology-neutral and that broadband is relevant to the conversation of basic service and COLR withdrawal.<sup>33</sup>

Multiple parties agreed that broadband access is critical for modern essential communication service. Cal Advocates commented that the Commission should amend the basic service definition to include a broadband service component at speeds of 100/20 Megabits per second (Mbps).<sup>34</sup> Cal Advocates argues that basic service must be updated to reflect modern consumer demands and the role of broadband as an essential service. Cal Advocates recommends that the Commission should consider the presence of broadband infrastructure in a service area when reviewing a COLR's application to withdraw. In their reply comments to the OIR, Small Business Utility Advocates (SBUA), Empowering Quality Utility Access for Isolated Localities (EQUAL),<sup>35</sup> TURN and the Center for Accessible Technology (Joint Commentors) agreed with the notion that COLR requirements should be updated to include a broadband component. Furthermore, Joint Commentors stated that the Commission should prohibit separating phone and broadband as separate entities. SBUA also spoke in favor of adding broadband to the definition of basic service stating that adding broadband would align with both state and federal digital equity goals and would ensure equitable access and technological neutrality<sup>36</sup>.

Access to quality, reliable, and affordable broadband service is an essential service for Californians and necessary for public safety. Broadband is critical for accessing economic opportunity, telehealth services, and remote learning. This claim was supported in the comment submitted by AT&T which stated that a COLR "is not needed in areas that are well-served with broadband."<sup>37</sup> This comment from AT&T supports the necessity of broadband service. At the state level, Governor Newsom's executive order establishing the California Broadband Action Plan (N-73-20), says deploying broadband across the state

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<sup>32</sup> Scoping Memo, Order Instituting Rulemaking Proceeding to Consider Changes to the Commission's Carrier of Last Resort Rules, R.24-06-012, February 4, 2025, pg. 6

<sup>33</sup> Comments of Commissioner Reynolds' Advisor Carolyn Chen at Workshop #3 in CPUC Rulemaking 24-06-012, Time 3:00 - 5:00, September 15, 2025; D.96-10-066 at 109. 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-mappingprogram/broadband-public-feedback/basic-service-definition>

<sup>34</sup> Comments of Cal Advocates on the Ruling on Order Instituting Rulemaking Proceeding To Consider Changes To The Commission's Carrier Of Last Resort Rules, September 30, 2024, p. 2.

<sup>35</sup> EQUAL states that it is EQUAL is a "grass roots association of utility customers in California formed to advocate for reliable, affordable and ubiquitous utility services for all residents in California, specifically those living in isolated regions of the state."

<sup>36</sup> Proposal of Small Business Utility Advocates in Response to the Questions in the Rulemaking Proceeding to Consider Changes to the Commission's Carrier of Last Resort Rules, September 30, 2024, pg. 4

<sup>37</sup> Pacific Bell Telephone Company D/B/A AT&T California's Opening Comments, R.24-06-012, June 20, 2024

“will accelerate continuous improvements in economic and workforce development, infrastructure, public safety, education, economy, and an engaged citizenry”.<sup>38</sup> Similarly, the FCC correctly identified that “access to affordable, reliable broadband is essential to full participation in modern life. Consumers rely on both their fixed and mobile connections to work, learn, access healthcare, and connect with each other.” Additionally, the FCC’s analysis concluded that “advanced telecommunications capabilities are not being deployed to all Americans in a reasonable and timely fashion.”<sup>39</sup>

The Commission itself has also reaffirmed its commitment to deploying advanced communications services. The Commission is subject to statutory mandates to consider ways to ensure that advanced communications services are made available as ubiquitously and economically as possible, in a timely fashion, to California’s citizens, institutions, and businesses.<sup>40</sup>

Action to modernize what constitutes essential service is clearly appropriate. The 2024 California Advanced Services Fund Annual Report found the statewide adoption rate of fixed broadband service to be 69.34% as of December 31, 2023.<sup>41</sup> In the opening comments submitted by Cal Advocates, several other data sets were identified which indicated that more than 65% of residential customers subscribe to fixed broadband.<sup>42</sup> Cal Advocates points to the 2022 FCC Communications Marketplace report, which estimated that between 61 and 69% of California households have a broadband subscription with download speeds of at least 100 Mbps.<sup>43</sup> Additionally, reports from the Pew Research Center found increasing home broadband usage year-over-year.<sup>44</sup> As broadband adoption increases every year beyond that level, it is clear that Californians rely on having a broadband internet connection as part of their essential communications services.

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<sup>38</sup> Executive Order N-73-20, Governor Gavin Newsom, August 14, 2020. <https://www.gov.ca.gov/wp-content/uploads/2020/08/8.14.20-EO-N-73-20.pdf>

<sup>39</sup> Federal Communications Commission, *In the Matter of Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, GN Docket No. 22-270 (FCC 24-27), released March 18, 2024, at ¶ 1.

<sup>40</sup> Pub. Util. Code 882.

<sup>41</sup> 2024 Annual Report of the California Advanced Services Fund. Published April 2024. Pg. 18 <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/reports/casf-2024-annual-report---final.pdf>

<sup>42</sup> Comments of Cal Advocates on the Ruling on Ruling on Order Instituting Rulemaking Proceeding To Consider Changes To The Commission’s Carrier Of Last Resort Rules , September 30, 2024 (SHORT NAME), p. 18 [Cal Advocates 09.30.24.pdf](#)

<sup>43</sup> FCC 2022 Communications Marketplace Report at 23, Fig. II.A.15, FCC 22-103. This is the most recent subscription data published in an FCC Communications marketplace Report.

<sup>44</sup> “Demographics of Internet and Home Broadband Usage in the United States,” Pew Research Center, <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>

At the same time, it is also clear that achieving the goal of ubiquitous broadband deployment will require concerted action on the part of governments and providers to ensure universal service. The state of California and the Federal government have made large scale investments in broadband infrastructure in recent years. These include the \$1.1 billion in awards through the Federal Funding Account,<sup>45</sup> and over \$1.86 billion allocated to California through the Broadband Equity, Access and Deployment program.<sup>46</sup>

While modern essential service should include broadband, the Commission recognizes that COLRs may need time to upgrade their networks to provide Modernized Essential Services. This can be done using any technology that meets the requirements, including fiber, wireless, coaxial cable, or any combination thereof. Therefore, staff recommend that COLRs continue to provide basic service for up to five years following a decision, after which COLRs would be required to offer Modernized Essential Service.

### III. Consumer Choice Categories

In this next section, staff propose:

- A means of identifying areas in California with significant consumer choice in which it may be appropriate for a COLR to apply for withdrawal via an application
- The process by which such a withdrawal should proceed, and
- The process and requirements for COLRs serving an area with limited or no consumer choice.

Some California consumers can have a range of choices between communications providers offering reliable essential services while others have little or no choice between providers due to the lack of private investment in the area. In areas where there is robust consumer choice of communications service providers, staff recommend allowing COLRs to seek Commission approval through a formal application and follow a procedure to be relieved of COLR obligations. In areas with limited or no consumer choice, staff recommend maintaining COLR obligations by offering Modernized Essential Service. The COLR in a limited consumer choice area must remain as a COLR or may seek a path to relinquish its obligations only under two scenarios: 1) seek out an alternative provider to take on their COLR obligations, or 2) voluntarily commit to deploying advanced networks

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<sup>45</sup> See CPUC's Last-Mile Federal Funding Account page at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account>

<sup>46</sup> See CPUC's BEAD Program page at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/bead-program>

(“network modernization”) in the impacted area and continuing to provide Modernized Essential Service for an intermediate period of 15 years.

## Party Comments - Consumer Choice as a Requirement for COLR

### Withdrawal

Cal Advocates states that an overwhelming majority of households in the designated service areas for California’s sixteen COLRs are not served by multiple providers, and therefore COLRs remain necessary. Additionally, Cal Advocates states that only some providers can be considered reasonable alternatives to COLRs.<sup>47</sup> To be considered a reasonable alternate provider to a COLR, Cal Advocates recommends the provider must offer broadband at speeds of at least 100/20 Mbps, free access to emergency services, meet General Order 133 service quality standards, and be registered or granted operating authority by the CPUC.<sup>48</sup>

Similarly, EQUAL<sup>49</sup> and Joint Commentors<sup>50</sup> state that all Californians need a COLR. Joint Commentors point to states that have removed COLR responsibilities such as Florida, Illinois and Nevada and consequently saw a decline in service quality and availability.<sup>51</sup> EQUAL commented that the Commission should consider requiring a departing COLR to provide its “existing plant to a replacement COLR at remaining book value” to enable continuity of service. Departing COLRs must “provide assistance and facilitate incoming COLR, e.g. transfer fiber in good repair, [and] disclose the plant that could be re-assigned as part of COLR withdrawal and the cost...to acquire the plant.”<sup>52</sup> Joint commentors state that a COLR must demonstrate that consumers are being served by a functional equivalent before they are allowed to withdraw.

Several parties outlined scenarios where COLRs are no longer necessary and should be allowed to withdraw from their obligations. CalBroadband expressed that COLR requirements should apply “as long as those areas lack competition.”<sup>53</sup> CalBroadband recommends that if the Commission is to revise its rules it should explicitly state that COLR rules will only apply in those areas with no competitive markets to secure voice

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<sup>47</sup> Opening Comments of Cal Advocates pg. 55, September 30, 2024

<sup>48</sup> Initial Proposal of the Public Advocates Office on the Order Instituting Rulemaking Proceeding to Consider Changes to the Commission’s Carrier of Last Resort Rules, R.24-06-012, September 30, 2024

<sup>49</sup> “Proposal of Empowering Quality Utility Access for Isolated Localities (‘EQUAL’) for Changes to Carrier of Last Resort Rules in Order Instituting Rulemaking Proceeding”, September 30, 2024

<sup>50</sup> “Joint Commenters” includes Communications Workers of America, District 9, The Utility Reform Network, and Center for Accessible Technology. See Opening Comments, R.24-06-012, October 30, 2024

<sup>51</sup> Opening Comments of The Utility Reform Network pg. 23

<sup>52</sup> EQUAL, “Proposal for Changes to Carrier of Last Resort Rules in Order Instituting Rulemaking Proceeding,” September 30, 2024

<sup>53</sup> Opening Comments of the California Broadband and Video Association, September 30, 2024, pg. 1

services. Furthermore, once an area is deemed competitive then existing COLRs should be relinquished of their obligations.

AT&T commented that regions that are well-served with broadband and census blocks with zero population no longer require a COLR. AT&T also states that populated areas with no provider will still require a COLR until broadband is deployed.<sup>54</sup> Similarly, Consolidated believes that they should be relieved of their COLR obligations because they claim that their area is well served.<sup>55</sup> US Telecom stated in their opening comments that in regions where there is consumer choice or alternative networks available, there is no longer a need for COLR requirements.<sup>56</sup> U.S Telecom's reply comment argues that once the broadband networks funded by BEAD and the Federal Funding Account are deployed, there will be no need for COLR requirements anywhere in the state.<sup>57</sup> These arguments do not address in detail the presence, or lack of, consumer choice, and whether the provider can offer essential service.

Frontier, TDS Companies, and Comcast state that COLR obligations are unnecessary in competitive service areas, and maintaining such obligations in these markets has no consumer protection rationale. TDS companies propose that a carrier should be permitted to relinquish its COLR status through a Tier-3 Advice Letter in which they demonstrate that 80% or more of the service area has access to service through at least one alternative service provider.<sup>58</sup>

TDS companies' statement infers that up to 20% of Californians in an impacted service area may be without reliable access to essential communications service. Moreover, TDS' suggestion of filing a Tier 3 Advice Letter prevents the degree of transparency, public review and party comments afforded by a formal application. For this reason, we do not find in the public interest the notion of relinquishing COLR obligations through the informal Advice Letter process.

Frontier argues in favor of removing COLR requirements from providers in "urban" and "suburban" areas where a competitive market exist is appropriate, and this should be done via a Tier 2 Advice Letter Process. In addition, Frontier recommends that "COLR relief through a Tier 3 advice letter process in more rural markets, based on a location-specific showing that competition is sufficient to life the COLR obligations."<sup>59</sup> In both Frontier's

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<sup>54</sup> Opening Comments of AT&T pg. 5, September 30, 2024

<sup>55</sup> Opening Comments of Consolidated pg. 6, September 30, 2024

<sup>56</sup> Opening Comments of US Telecom – The Broadband Association pg. 5, September 30, 2024

<sup>57</sup> Reply Comments of U.S Telecom - The Broadband Association pg. 3. Filed on October 30, 2024

<sup>58</sup> See Opening Comments of Frontier, September 30, 2024; Happy Valley Telephone Company, Hornitos Telephone Company, and Winterhaven Telephone Company (The "TDS Companies"), September 30, 2024; Reply Comments of Comcast Phone of California, October 30, 2024.

<sup>59</sup> Frontier Opening Comments

and US Telecom's comments, the presence of competition is a prerequisite before deciding whether COLR obligations are still necessary, but there is no agreement on what constitutes competition.

## Consumer Choice Parameters

In this section, staff propose parameters for analyzing the degree of consumer choice present in a given area. While there can be different providers offering communications services of some kind in a particular area, it is often the case that only a subset of these providers offer service with the degree of reliability and access to essential communications services that could be considered as an alternative to the service provided by the COLR. If consumers can obtain essential communications service from more than two such providers, excluding the COLR, staff recommend allowing the COLR to pursue relinquishment of COLR obligations through the application process set forth in a subsequent section.

**Table 1: Consumer Choice Categories**

Category	Definition
Significant Consumer Choice	<p>2+ Qualified Providers (excluding the COLR, COLR is present at any broadband speed)</p> <p>-OR-</p> <p>1 Qualified Provider (excluding the COLR, COLR is present at any broadband speed) + ubiquitous, reliable coverage by 2 facilities-based mobile providers (subject to proof of service)</p> <p>The above must include at least 1 wireless LifeLine provider <u>AND</u> 1 wireline LifeLine provider, excluding the COLR.</p>
Limited Consumer Choice	<p>Only COLR offers wireline service (COLR is present at any broadband speed)</p> <p>-OR-</p> <p>Only COLR (COLR is present below speeds of 100/20 Mbps) and one other Qualified Provider, + fewer than 2 facilities-based</p>



	mobile providers offer ubiquitous, reliable service.
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Staff recommend a definition of “Qualified Provider” that meets the following criteria:

**Facilities-based and wireline:** the provider is the owner of the network equipment enabling a wired connection to a customer’s premises, such as a drop wire. A facilities-based wireline provider is accountable for ensuring ongoing maintenance and upkeep of network infrastructure and completing repairs when service is interrupted. A provider may qualify as “facilities-based” even if some elements of its broader network, such as backhaul, are leased from other entities or include wireless elements, provided that it owns the facilities enabling the connection to a customer’s premises. Finally, a wired connection provides a high degree of reliability that is critical for ensuring a customer has consistent, uninterrupted access to essential communications services.

**Fixed Service:** Service is provided to a discrete location, not utilizing a mobile or cellular or satellite network. A discussion of the role of mobile providers is provided in a subsequent section.

**Offers Modernized Essential Service:** While broadband access is the key to enabling essential communications services to Californians today, voice services, such as VoIP, remain critical to advancing public safety and ensuring customer access to critical functions like 911, that remain predominantly voice based.

**Offers broadband:** Access to broadband is the key to enabling essential communications in the modern communications industry. Therefore, only providers offering a broadband connection option, at a minimum meeting the broadband definition threshold established by the FCC of 100/20 Mbps, should count as a Qualified Provider.<sup>60</sup>

**Subject to a legal prohibition against discrimination and redlining:** COLR rules were established to ensure that every Californian has access to essential communications service. This is consistent with the concept of universal service that no customer is left behind and is able to obtain service if requested. The Commission, in its past COLR decisions, recognized the concept of redlining but did not find it necessary to include given that the practice was explicitly prohibited in previous decisions and Commission guidance. The Commission in its local

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<sup>60</sup> March 14, 2024, Federal Communications Commission increases broadband speed benchmarks to download speeds of 100 megabits per second and upload speeds of 20 megabits per second: <https://docs.fcc.gov/public/attachments/DOC-401205A1.pdf>

competition proceeding has already adopted an explicit prohibition against redlining. That regulation states: "Redlining is prohibited and the Commission shall take strong action against any carrier engaging in redlining."<sup>61</sup> The Commission in D.95-12-056 also stated that it is "unalterably opposed to redlining and shall prohibit it," and will "take strong action against any carrier we find engaged in redlining."<sup>62</sup> In addition, public utilities are prohibited under Public Utilities Code § 453 from discriminating against any person or locality as to rates, charges, service, or facilities.

In areas with two or more Qualified Wireline Providers, staff recommend defining the level of consumer choice as "Significant Consumer Choice." Moreover, Significant Consumer Choice may exist where there is only one non-COLR Qualified Wireline Provider plus the ubiquitous availability of reliable, indoor service from two or more facilities-based mobile providers, as discussed below. In areas where these conditions are not present, staff recommend defining the area as "Limited Consumer Choice." Attachment D to this Staff Proposal provides analysis of the level of consumer choice in California based on FCC Broadband availability data as of December 2024 and LifeLine wireless and wireline provider availability data according to the CA Lifeline Program website (<https://www.californialifeline.com/en>).

## Role of Mobile Providers in Consumer Choice

Facilities-based mobile providers offer some degree of consumer choice and may offer services similar to what is provided by a COLR. However, for reasons described below, we do not consider mobile service as a full substitute for a COLR. Rather, we propose mobile service should be considered as a supplementary service for purposes of consumer choice and not on the same level as a Qualified Provider. Data show that mobile service is often complementary to wireline broadband service<sup>63</sup> and not a substitute. Both services are often necessary and work together to offer consumers access to service. A wireline connection provides reliable coverage for real-time services like voice communications and higher capacity for in-home broadband access, while mobile enables flexibility by providing services on the go through mobile voice and broadband.

Demand for mobile services has grown substantially in the decades, as has mobile coverage. According to the Telecommunications and User Fee Filing System (TUFFS), as of

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<sup>61</sup> D.95-12-056, Appendix C, 4.F.(17)

<sup>62</sup> *Ibid*

<sup>63</sup> See Pacific Bell Telephone Company D/B/A AT&T California's (U 1001 C) Opening Comments, September 30, 2024, p.14, footnote 38. In 2022, over 25% of California adults were "landline-only," "landline mostly," "equally landline and mobile," and "primarily mobile" users. Source: "National Health Interview Survey," National Center for Health Statistics, 2024.

July 2025, there were 45.08 million wireless voice subscribers in the state, comprising 84 percent of all access lines.<sup>64</sup> The Commission's Annual Report of Telephone Corporation Customer, Employment, and Investment Information tracks capital investments in the wireless network from telephone corporations with 750 employees or more. The 2019 report found that capital investments in the wireless network totaled \$2.9 billion in 2016 and \$2.8 billion in 2017.<sup>65</sup> The most recent report released in 2022 revealed that these investments have increased dramatically. Total capital investments in wireless networks totaled \$4.78 billion for 2022 which represents a 5.66% year-over-year increase from 2021.<sup>66</sup> Because of increased infrastructure and redundancy, mobile service has become more reliable.

In addition to improved infrastructure, facilities-based mobile providers are also subject to network resiliency rules which help ensure their facilities are able to operate for a period of time during power outages and natural disasters. In D.20-07-011, the Commission sought to improve wireless resiliency by directing facilities-based mobile providers to develop "comprehensive resiliency strategies to prepare for catastrophic disasters and power outages."<sup>67</sup> The Commission established a 72-hour backup power requirement, critical location information sharing with emergency services, and also directed facilities-based mobile providers to file emergency operations plans with the Commission.<sup>68</sup> In contrast, non-facilities based mobile providers are not bound by the same requirements.

To consider mobile service providers as potential alternatives to a COLR, we must analyze to what degree fixed and mobile providers compete with each other, and to what degree they are functional substitutes. Previously, the Commission found in D.16-12-025 that, in terms of their basic function of providing voice service for their customers, they are functionally identical. However, the same Decision identified critical limitations to mobile service which may make it only a partial substitute to the essential communication service guaranteed by a COLR. The two main limitations found in the Commission's analysis were that mobile service is subject to "coverage gaps and weak wireless signals or weak indoor wireless signals" and that mobile providers may not provide the "special needs of

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<sup>64</sup> Wireless subscriber figure from Telecommunications and User Fee Filing System (TUFFS) July 2025.

<sup>65</sup> See "Annual Report of Telephone Corporations Customer, Employment and Investment Information As Required by Public Utilities Code Section 914 [https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpucwebsite/content/about\\_us/organization/divisions/office\\_of\\_governmental\\_affairs/legislation/2019/pu-code-report-914-report-final-01-17-2019.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpucwebsite/content/about_us/organization/divisions/office_of_governmental_affairs/legislation/2019/pu-code-report-914-report-final-01-17-2019.pdf) pg. 8

<sup>66</sup> See "Annual Report of Telephone Corporation Customer, Employment, and Investment Information," Published January 2024. Pg. 5. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2024/annual-report-puc-7912-puc-914-cy-2022.pdf>

<sup>67</sup> [CPUC Decision 20-07-011](#) pg. 2

<sup>68</sup> [CPUC Decision 20-07-011](#) pg. 36-37

customers with disabilities for the features provided by landline service, such as compatibility with medical devices or with TTY and TTY relay services.”<sup>69</sup> These same limitations remain present to some degree despite improvements in mobile provider capabilities, and therefore it is reasonable to consider mobile providers as a supplementary source of consumer choice where there is at least one Qualified Provider offering an alternative to the COLR in addition to ubiquitous indoor mobile service.

Mobile coverage maps may not reflect true COLR-equivalent indoor coverage in a given service area. Several parties filed comments stating that true on-the-ground coverage does not match the coverage illustrated on mobile service provider maps. In their comment responding the April Workshops, TURN noted a report issued by the Government Accountability office.<sup>70</sup> The concerns in the Report<sup>71</sup> include “the incentive to overstate the service they offer to prevent competitors from having an opportunity to provide service to the same location,” and that the reported speeds within the maps are the advertised speeds and not the true speeds regularly experienced by the consumer.

Availability and quality of mobile voice and broadband service indoors is also a critical shortcoming. Several parties claim that the FCC’s National Broadband Map shows widespread mobile coverage in California. However, as noted in TURN’s comment in response to the April workshop, the FCC’s map displays broadband, not voice, coverage and explicitly states, “that the map does not include information on the availability of mobile wireless broadband service while indoors.” Wireless signals can easily be disrupted by geographic or structural obstacles. This lack of service quality guarantee for every residence in California directly conflicts with the primary COLR principle of universal service. A mobile service provider has also recognized that their claimed coverage map area cannot mean or guarantee service at all times to a specific location or at an address level. Verizon states that “... Verizon’s voice coverage maps that are filed with the FCC do not guarantee service at all times and are only reflective of approximate coverage.”<sup>72</sup>

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<sup>69</sup> Decision 16.12.025, Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring, and Reporting on the Market, Investigation 15-11-007, December 1, 2016, pg. 43

<sup>70</sup> Opening Comments of The Utility Reform Network and Center for Accessible Technology on the Administrative Law Judge’s Ruling Regarding Comments Discussed at April Workshops, June 13, 2025

<sup>71</sup> United States Government Accountability Office, Broadband Programs: Agencies Need to Further Improve Their Data Quality and Coordination Efforts (April 2025), GAO-25-107207, available at <https://www.gao.gov/products/gao-25-107207>. (“GAO Broadband Data Quality Report”)

<sup>72</sup> Verizon September 3, 2024, Opening Comments to Administrative Law Judge’s Ruling Issuing Staff Proposal, p. 46, R.22-03-016 Order Instituting Rulemaking Proceeding to Consider Amendments to General Order 133. Additionally, as of November 14, 2025, the websites of each of the three large national mobile

Cal Advocates states that the CPUC “needs granular, address-level data about the availability of voice service in existing COLR territories. Unfortunately, such robust data has not been compiled by the Commission, the Federal Communications Commission (FCC), or any other state agency.”<sup>73</sup> AT&T also reminds us that their mobile network is designed primarily for outdoor service and stated that “[t]hese services are *mobile*, so a customer can make and receive calls outside the home.”<sup>74</sup> As such, mobile service provider maps cannot be considered reliable determinants for COLR substitution. This stems from persistent challenges of overstatement of mobile coverage and concerns regarding availability and quality of voice and broadband service indoors.

Therefore, we recommend defining an area as having “Significant Consumer Choice” for the purpose of filing an application for COLR withdrawal if there is coverage by two or more Qualified Provider other than the COLR or one Qualified Provider excluding the COLR plus ubiquitous, reliable indoor coverage by at least two facilities-based mobile providers. Such coverage must be demonstrated in the COLR’s application by actual testing, including indoor testing, as described in the Withdrawal Process section.

## Network Modernization

Both AT&T and US Telecom cite the significant cost of maintaining and operating legacy copper networks.<sup>75</sup> AT&T claims fiber networks “require substantially less energy, are more

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carriers indicates this. AT&T Mobility’s coverage map, available at <https://www.att.com/maps/wireless-coverage.html>, includes the following clarification: “This map displays approximate outdoor coverage. Actual coverage may vary. Coverage isn’t guaranteed and is subject to change without notice.” Verizon’s coverage map, available at <https://thingspace.verizon.com/documentation/get-started/global-coverage-map.html>, includes the following language: “These Coverage maps depict predicted and approximate wireless coverage. The coverage areas shown do not guarantee service availability and may include locations with limited or no coverage. Even within a coverage area, there are many factors, including customer’s equipment, terrain, proximity to buildings, foliage, and weather that may impact service.” T-Mobile’s coverage map, available at <https://www.t-mobile.com/coverage/coverage-map>, includes the following statement: “(T-Mobile’s coverage map) approximates anticipated coverage outdoors (including 600Mhz 4G LTE) based on a variety of factors, which may include limited or no coverage areas, and does not guarantee service availability; some data-intensive uses may have decreased functionality in low-bandwidth areas, especially indoors or on the exterior edges of the approximated coverage area. Within coverage areas, network changes, traffic volume, outages, technical limitations, signal strength, your equipment, obstructions, weather and other conditions may interfere with service quality and availability.”

<sup>73</sup> Opening Comments of the Public Advocates Office on the Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at August 22, 2025, Workshop, 11/21/25, p.10

<sup>74</sup> See Pacific Bell Telephone Company D/B/A AT&T California’s (U 1001 C) Opening Comments on Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at August Workshop, 11/21/25, p.24.

<sup>75</sup> See Reply Comments on the Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at the April Workshops, filed separately by Pacific Bell d/b/a AT&T California and US Telecom on June 27, 2025, in Rulemaking R.24-06-012.

resilient to environmental degradation, and have lower failure rates.”<sup>76</sup> It further cites a statistic from the Fiber Broadband Association from 2020 that the operational expense savings of maintaining a fiber network over a copper network is 63 percent. US Telecom states that, “[r]equiring companies to maintain an old copper network that uses and relies on equipment that can be 50 years old, which due to its significant commercial power demands has a high environmental impact, does not make sense.”<sup>77</sup>

The CPUC’s COLR obligations are technology-neutral, and as such, COLR obligations may be fulfilled using fiber optic, coaxial cable, or wireless as alternatives to copper. CTIA<sup>78</sup> opines that “the Commission should not and may not involuntarily require a wireless provider to serve as a COLR,” but that does not rule out the possibility of a provider that has wireless as one of its offerings to use that technology to meet COLR requirements, as long as it can deliver all the elements of basic service.

## IV. Significant Consumer Choice - Withdrawal Process

In areas with Significant Consumer Choice, we agree with both AT&T and Cal Advocates that a phased approach for COLR withdrawal is appropriate.<sup>79</sup> As proposed here, the presence of two or more non-COLR Qualified Providers offering reliable essential services and subject to requirements to offer service in a non-discriminatory manner, plus the presence of at least one wireline and one wireless California LifeLine provider, will ensure a reasonable level of consumer choice. In addition, an application for withdrawal may be considered for approval if there is presence of one non-COLR Qualified Provider plus ubiquitous, reliable coverage by 2 facilities-based mobile providers (subject to proof of service)

Even where Significant Consumer Choice is present, it is necessary to have an orderly and transparent process for withdrawal of a COLR’s obligation to serve.

In the following section, the process for requesting withdrawal from COLR obligations is described in detail. It consists of four phases:

### 1. Pre-Application Phase

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<sup>76</sup> *Ibid*

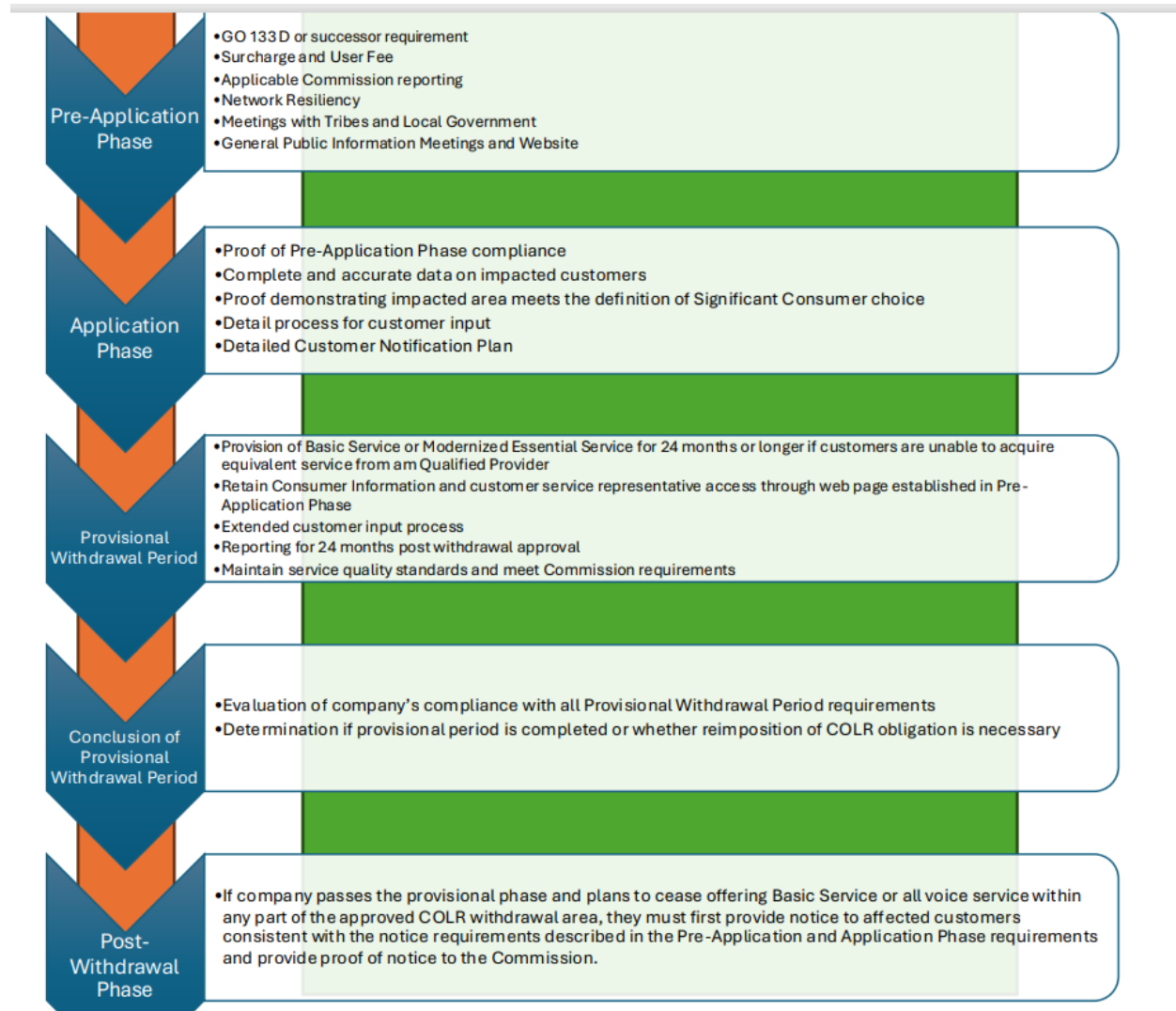
<sup>77</sup> *Ibid*

<sup>78</sup> See Comments of CTIA on Administrative Law Judge’s Ruling Regarding Reply Comments on Topics Discussed at April Workshops, filed on June 27, 2025, in Rulemaking R.24-06-012.

<sup>79</sup> See Pacific Bell Telephone Company D/B/A AT&T California’s (U 1001 C) Opening Comments on Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at August Workshop, 11/21/25, page 3, and, Opening Comments of the Public Advocates Office on the Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at August 22, 2025 Workshop, 11/21/25, page 2.

2. Application Phase
3. Provisional Withdrawal Phase
4. Post-Withdrawal Phase

### **Significant Choice Areas – Withdrawal Process**



### **Application Size and Frequency**

Staff agree with the Joint Commenters<sup>80</sup> that limiting the size of a COLR withdrawal application is necessary to ensure that the Commission, the public, and all interested

<sup>80</sup> See Opening Comments of the Utility Reform Network and Center for Accessible Technology on the Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at the August 22, 2025, Workshop, 11/21/25, p.32.

parties are able to effectively and thoroughly evaluate the application and the potential effect on consumers. Even for an area that the company states is unpopulated, a geographic limit is necessary to ensure that the Commission and all parties are able to validate the evidentiary basis of the COLR's claims and evaluate any effect of COLR withdrawal on ancillary services or consumers who may not reside in the area but still rely on essential communication services.

A relevant parallel exists in a recent Settlement Agreement approved by the Washington Utilities and Transportation Commission, which also set limits on the size of the petitions. A representative of the Washington Utilities and Transportation Commission at the April 4, 2025, CPUC workshop in this proceeding indicated that having application limitations was intended to ensure staff and Public Counsel have adequate time to thoroughly review the request and validate the data.<sup>81</sup>

The Commission having similar limitations as the Washington Utilities and Transportation Commission would allow it to avoid reviewing Applications with enormous geographic footprints and massive numbers of customers. Indeed, in 2023, AT&T California requested Commission approval to withdraw as COLR from nearly its entire designated COLR territory, potentially affecting millions of customers and a majority of the state's geographic footprint. A limitation on the geographic scope and number of affected customers for such applications will enable the Commission, stakeholders, and the public reasonable opportunity to validate the evidentiary basis for the request and evaluate the potential impacts on customers, public safety, and other critical considerations, without unreasonably burdening COLRs who seek relief from COLR obligations where they claim such obligations are no longer necessary. Staff recommend the following withdrawal application parameters for each unique COLR:

- ☐ One application per calendar year;
- ☐ Each application may cover an area that includes a maximum of 20% of the total units within the designated COLR territory as of the adoption of the Decision in this proceeding,<sup>82</sup> ;
- ☐ Each application must be geographically contiguous and no larger than 10,500 square miles;

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<sup>81</sup> Sean Bennett, Section Manager – Telecommunications, Washington Utilities and Transportation Commission, at Workshop 1: Tribes, Public Safety, Rural Counties, and Other States; April 4, 2025, [https://www.youtube.com/watch?v=6DDdSv\\_gP3s&themeRefresh=1](https://www.youtube.com/watch?v=6DDdSv_gP3s&themeRefresh=1)

<sup>82</sup> The specific number should be specified for each COLR in the adopted version of a Decision in this proceeding, which should also explicitly identify the data utilized for this calculation.



- ☐ Each application may include areas that the COLR considers to be populated, unpopulated, or both, as long as all locations in a single Application fit within the customer and geographic limits described previously;
- ☐ To the extent the Commission denies a COLR application in whole or in part, the company may not reapply for withdrawal for any of those denied areas for 24 months after the decision is adopted.

## **Pre-Application Phase Requirements**

### **Compliance with Commission Requirements**

Any carrier that seeks authorization to withdraw as a COLR must demonstrate that they are in compliance with all existing Commission rules and obligations including, but not limited to those relating to:

1. Service Quality measures and standards (the most current GO 133),<sup>83</sup> for a period of 24 months preceding the Application's filing date or have a CPUC-approved Corrective Action Plan with which the company is in full compliance
2. Surcharge and User Fee reporting and remittance<sup>84</sup>
3. Carrier reporting requirements<sup>85</sup>, for a period of 24 months preceding the Application's filing date
4. Network resiliency requirements<sup>86</sup>, for a period of 24 months preceding the Application's filing date

Documentation of compliance with all of the above must be included as part of a formal application.

Multiple parties identified a need for COLRs requesting authorization for COLR withdrawal to demonstrate full compliance with service quality standards required under General Order 133. Cal Advocates proposed that for a COLR to be granted provisional withdrawal, they must be in compliance with service quality standards (recently revised as GO 133-E),

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<sup>83</sup> General Order 133-D, adopted by D.16-10-019; GO-133-E adopted by D.25-09-031, effective January 1, 2027

<sup>84</sup> See D.22-10-021, D.24-11-003 (VOIP), Public Utilities Code Sections 431 and 432

<sup>85</sup> See <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements>; GO 104-A and D.93-02-019; PU Code Section 489(a); D.13-05-035, D.11-09-026/D.10-09-017 and/or D.24-11-003; and G) 69-C

<sup>86</sup> [D.20-07-011](#) (wireless) & [D.21-02-029](#) (wireline)

including reliability and availability service standards.<sup>87</sup> Similarly, EQUAL proposed that carriers requesting COLR relief demonstrate that they are in full compliance with the five service quality standards for POTS established under the then-existing GO 133-D.<sup>88</sup> The requirement for a COLR to have been in compliance with GO 133 was also included in pending legislation,<sup>89</sup> signaling the broad recognition of the importance of having COLRs demonstrate they are in compliance with service quality rules prior to being allowed to withdraw.

CD Staff agree that prior to submitting an application for relinquishment of its COLR obligations, a COLR must have been in compliance with all applicable service quality metrics set forth in GO 133-D, or any successor to that GO, for a minimum of 24 months preceding the filing date of the application. Payment of fines for non-compliance that occurred within the last 24 months does not satisfy this requirement. Additionally, the company must have completed payment of any fines and completed all approved reinvestment projects resulting from service quality violations that occurred more than 24 months before filing.

If the company has failed to meet service quality metrics set forth in GO 133-D, or any successor to that GO, within the 24 months prior to submitting the application, but has a Corrective Action Plan approved by the Commission, then the carrier may submit an application for relinquishment of its COLR obligations if the following conditions are met:

- The carrier has met all relevant milestones in the Corrective Action Plan, including those related to construction and infrastructure deployment.
- The carrier has submitted all quarterly reporting for the Corrective Action Plan.
- If the end date for the Corrective Action Plan has passed, the carrier must have completed all required activity, including any construction or infrastructure deployment.
- The carrier submits evidence that they are in compliance with the Corrective Action Plan.

In addition to demonstrating compliance with the Corrective Action Plan at the time they file the application, the carrier must continue to demonstrate compliance with any ongoing requirements from the Corrective Action Plan throughout the COLR withdrawal proceeding.

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<sup>87</sup> Initial Proposal Of The Public Advocates Office On The Order Instituting Rulemaking Proceeding To Consider Changes To The Commission's Carrier Of Last Resort Rules, at 54

<sup>88</sup> Empowering Quality Utility Access for Isolated Localities (EQUAL), Opening Comments on R.24-06-012 Scoping Memo, at 15

<sup>89</sup> Assembly Bill (AB) 470 by Assemblymember Tina McKinnor

If at any point during the withdrawal proceeding the carrier falls out of compliance, the Commission may deny the application.

The company must also be compliant with all compliance filings including, but not limited to:

1. Annual Reports (Annual Report on Operations and Financials and Annual Affiliate Transaction Report)
2. Any required tariff filings
3. Performance bond

This includes completing payment of any citations for past non-compliance.

Lastly, the company must be current on surcharge and user fee reporting and remittance. This means that the company must pay all surcharges and user fees owed for all reporting periods for which the deadline has passed. This includes completing payment of any interest and/or penalties or citations for past non-compliance.

### **Meeting with Tribes and Local Government**

A COLR seeking to relinquish its obligation to serve an area should be required to conduct formal meetings with all Tribal or local governments with jurisdiction over the COLR territory that will be relinquished. For areas under the jurisdiction of an incorporated municipal government, this should include both the relevant county government and the municipal government; for unincorporated areas, it should include the relevant county government. These meetings should occur before the COLR files its application, and documentation of the meetings having occurred is a requirement of filing an application for relinquishment.

A COLR seeking to relinquish its obligation should contact the Native American Heritage Commission to ensure it has the most updated and correct list of Tribes that may be impacted by an application. In the case of Tribal meetings, the COLR shall meet with each Tribe on an individual basis; in other words, it shall not conduct a meeting with multiple Tribes at once, unless a joint meeting is requested by multiple Tribes. For meetings with municipal or county governments, COLRs may conduct multiple meetings at once; in other words, a COLR may meet with a county government at the same time as it meets with municipal governments.

COLRs should take all feasible steps to ensure meetings are meaningful and supply the consulted governments with detailed information sufficient to conduct planning and notify

relevant stakeholders. At minimum, this shall include sharing a map of the planned area for the application, sharing the evidentiary basis upon which the COLR will claim that significant consumer choice exists within the area, sharing detailed information on any ongoing legal obligations (such as merger conditions or statutory requirements) to which the company will be subject after relinquishment, and whether and when the company plans to discontinue service in part or all of the affected area. The COLR should also present a plan for ensuring continuity of critical services in the affected area. The COLR must also provide information to the government about the process to submit public comments and become a party to the eventual proceeding.

The COLR should take all feasible steps to ensure the representatives of the consulted government are of sufficient level of responsibility to convey the information to relevant public stakeholders, such as emergency services and government information technology departments. If a consulted government has inquiries related to the planned application, the COLR shall respond promptly to those further inquiries. If the consulted government requests additional meetings, the COLR should take all reasonable steps to facilitate additional meetings. If the COLR is unable to satisfy a request for additional meetings, it should report the reasons why it has not provided additional meetings when it files its application or, if the application has already been filed, as a formal filing within the proceeding.

If a COLR is unable to conduct a meeting with an affected government (including Tribal) through no fault of its own, the COLR may file the application for relinquishment once it has exhausted all feasible good faith options for conducting a meeting. When the COLR files the application, it shall identify all attempts to contact and facilitate a meeting with any non-responsive government, steps taken to ensure the success of the contact attempts and plans to continue attempting to conduct meetings after filing the application. If a government responds to an invitation for a meeting after filing of the application, the COLR shall conduct the meeting.

#### **General Public Information Meetings and Website**

It is important that requests by COLRs to relinquish their obligations undergo public scrutiny to ensure any application is based on valid information confirmed by members of the public or other interested stakeholders who are familiar with on-the-ground service availability and reliability in areas with significant consumer choice.

Furthermore, even in areas with significant consumer choice, it is likely that customers and interested stakeholders will need to adopt new policies or expectations related to service availability, for which advanced and detailed information is critical. A COLR seeking to relinquish its obligation to serve an area must hold public in-person information sessions

prior to filing its formal application to relinquish its COLR obligation. To meet this requirement, the sessions must be held within the geographic bounds of the area the COLR will apply for relinquishment of its obligation to serve. The COLR should make a good faith effort to ensure widespread notice of such sessions, including providing direct notice via email, text, and bill insert to any current basic service customer, customers who have subscribed to basic service within the previous five years, and general advertising within affected communities (such as newspapers, social media posts, radio or television advertisement, etc.). The timing and location of the sessions used to meet this requirement must be selected with the purpose of ensuring maximal accessibility to interested members of the public, such as by holding the sessions outside of typical working hours and in a location that is easily accessible to members of the public. If the application includes any Environmental and Social Justice (ESJ) communities<sup>90</sup>, the COLR shall take measures to ensure that members of ESJ communities specifically are adequately informed of the session and given an opportunity to attend. For example, the COLR could hold the information session at a location on Tribal lands for an application that will include Tribal lands, or ensure notice is provided in non-English language media if the area includes significant numbers of native speakers of languages other than English. Notice should also be provided in formats accessible to people with disabilities, including electronic, Braille, audio, and large print, and the COLR should ensure that notice is provided in languages appropriate to the population of the area.

At a public information session, the COLR that plans to file an application for relinquishment of the obligation to serve should provide an informational presentation on its plans for relinquishment, the data it intends to use to demonstrate the significant consumer choice present in the area, the specific geographic area that will be subject to the application using features that are familiar to customers such as ZIP codes and municipal or county boundaries, and the Commission's process for evaluating an application for relinquishment, including specifically highlighting opportunities for the public to comment on the application once it is filed. The COLR should ensure company representatives are in attendance who can help customers resolve billing or service reliability disputes. The session shall also include an opportunity for members of the public to directly voice concerns about the validity of the data presented as it pertains to their

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<sup>90</sup> Commission ESJ Action Plan 2.0: ESJ communities are low-income or communities of color that have been underrepresented in the policy setting or decision-making process, are subject to a disproportionate impact from one or more environmental hazards, and likely to experience disparate implementation of environmental regulations and socio-economic investments in their communities. In addition, ESJ communities include Disadvantaged Communities, defined as census tracts that score in the top 25% of CalEnviroScreen 3.0, along with those that score within the highest 5% of CalEnviroScreen 3.0's Pollution Burden but do not receive an overall CalEnviroScreen score; all Tribal lands; low-income households; and low-income census tracts.

community so the COLR may take those concerns into consideration as it prepares its application and address potential flaws in the data. The COLR is also encouraged to provide an opportunity for interested individuals or stakeholders who are unable to attend in person to review the information, such as by recording or livestreaming the session or making the information available on a public website.

When the COLR files its application, it must include detailed information on the date and location of all public information sessions and how this session was noticed and advertised to members of the public. The COLR should additionally provide the agenda for the session, any presentation materials or informational handouts, and an estimate of the number of attendees, as well as any issues raised by public attendees.

The COLR should estimate the number of impacted residents based on the population of the area subject to the application (not merely the number of Basic Service customers). If the number of impacted residents is estimated to exceed 50,000, the COLR shall conduct at least one additional information session per additional 50,000 residents. In other words, for an application impacting 100,000 customers, the COLR must conduct at least 2 information sessions. Additionally, for applications affecting large geographic areas, the COLR shall take measures to ensure sessions are held within reasonable distances from all affected residents. Specifically, an information session shall not satisfy this requirement if it is held more than 50 miles away from an affected area and there must be at least one information session held within 50 miles of every basic service customer's service address.

In addition to the information sessions, the COLR must create a public webpage with information on its plans for relinquishment. The webpage must include the same information as the public information sessions including its plans for relinquishment, data demonstrating consumer choice in the area, the specific geographic area that will be subject to the application using features that are familiar to customers such as ZIP codes and municipal or county boundaries, and the Commission's process for evaluating an application for relinquishment, including specifically highlighting opportunities for the public to engage with the application once filed. Similar to Cal Advocates' proposal<sup>91</sup>, the webpage must include an interactive map of the proposed withdrawal area in which the public can input an address and receive information about whether or not that location would be affected by the proposed withdrawal.

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<sup>91</sup> Cal Advocates proposed that application notice include link to interactive map of areas affected, that is housed on the COLR's website, includes a Census Block layer and allows customers to determine at address level if they will be impacted by proposed withdrawal. (Initial Proposal of the Public Advocates Office on the Order Instituting Rulemaking Proceeding to consider changes to the Commission's Carrier of Last Resort Rules, at 67)

**Application Phase Requirements**

A COLR seeking to relinquish its obligation to serve an area should file a formal application with the Commission. At minimum, the application should include the following elements:

- 1) Documentation that the COLR has met all pre-application requirements:
  - a. Meet with all impacted governments and hold a sufficient number of meaningful public information sessions and customer website
  - b. Documentation that the COLR has adhered to the requirements of General Order 133-D or its successor for the previous 24 months
  - c. Documentation that the COLR is in compliance with all Surcharge and User Fee reporting and remittance requirements and related compliance filings
  - d. Documentation that the COLR is in compliance with all applicable Commission reporting requirements.
  - e. Documentation that the COLR is in compliance with all applicable network resiliency requirements.
- 2) Complete and accurate data on potentially affected customers, as specified below
- 3) Evidence demonstrating that all areas affected by the application meet the definition of Significant Consumer Choice
- 4) Customer Input Opportunity
- 5) Customer Notification Plan

Each of these elements are described in greater detail in Attachment C to this Staff Proposal.

**Application Evaluation Process**

The Commission should strive to ensure reasonable and sufficient opportunities are available for customers and relevant stakeholders to engage with the application.

As part of the proceeding evaluating the application, the Commission should conduct Public Participation Hearings in affected communities to ensure adequate notice is provided to customers who seek to provide input on the data submitted by a COLR in its application purporting to show the presence of Significant Consumer Choice in an area. If the COLR withdrawal application is incomplete, staff should notify the applicant, and the application will not be considered until it is complete.

## Provisional Withdrawal Period

If the Commission approves an application for COLR withdrawal, that approval shall be considered provisional for 24 months from the date of adoption. The company must comply with all of the requirements described in the following subsections or the approval for COLR withdrawal will be revoked. The Provisional Withdrawal Period requirements include:

- Ongoing Provision of Basic Service or Modernized Essential Service if available
- Consumer Information
- Extended Consumer Input Process
- Reporting
- Service Quality Metrics

The provisional withdrawal period will allow the Commission to assess the effect of the COLR withdrawal and withdraw the approval if sufficient failure conditions are found. In comments, Cal Advocates proposed that the Commission implement a 36-month provisional period for ending COLR obligation during which the Commission would evaluate access, affordability, and impacts on customers.<sup>92</sup> They proposed that the Commission only authorize final withdrawal if the COLR continues to meet required standards during the provisional withdrawal period.<sup>93</sup> Staff agree that a provisional period is necessary and recommend a 24-month provisional period as discussed below.

### **Ongoing Provision of Basic Service or Modernized Essential Service**

During the Provisional Withdrawal Period, the company must continue to provide Basic Service to all existing customers or Modernized Essential Service if the COLR's network enables the delivery of Modernized Essential Service. If a customer demonstrates that they are unable to acquire equivalent service from another Qualified Provider, the company must continue to offer basic service or Modernized Essential Service to that customer. To qualify for continuation of basic service, the customer must provide evidence that they are unable to purchase equivalent service from another Qualified Provider.

The company shall set up a process, to be approved by the Commission, for customers to request continuation of basic service and submit evidence that they were unable to

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<sup>92</sup> Initial Proposal Of The Public Advocates Office On The Order Instituting Rulemaking Proceeding To Consider Changes To The Commission's Carrier Of Last Resort Rules, at 2

<sup>93</sup> Initial Proposal Of The Public Advocates Office On The Order Instituting Rulemaking Proceeding To Consider Changes To The Commission's Carrier Of Last Resort Rules, at 2



acquire service from another Qualified Provider. As part of this process, the company must regularly provide the Commission with copies of every such customer request and supporting documentation as well as the company's determination. The Commission may review any customer request and overturn the company's determination and require that they restore basic service or Modernized Essential Service to specific customers. This process must include options for the customer to submit their supporting documentation online or through hard copies. The customer must provide evidence such as:

- A screenshot or printout of the other Qualified Provider's website that shows that their address is not served
- Message from the other Qualified Provider denying a request for service
- Cancellation of request for service installation

### **Provisional Withdrawal Period (2 years - 24 months)**

<b>Current Existing Basic Service Customers</b>
<p>Company continues to maintain Basic Service or upgrade to Modernized Essential Service (if available) connections for 24 months post Application approval.</p> <p>3 Customer notifications:</p> <ol style="list-style-type: none"> <li>1. Notice at time Application approved</li> <li>2. With at least 12 months in advance of Month 24</li> <li>3. With at least 6 months in advance that service will end by end Month 24.</li> </ol>
<b>Reporting and Process Requirements</b>
<p>Month 1 – 24</p> <ul style="list-style-type: none"> <li>- Extended customer input process. Consumers can notify the Commission of errors in the determination of significant consumer choice or changes in the availability of service from Qualified Providers.</li> </ul> <p>Month 6+</p> <ul style="list-style-type: none"> <li>- The company shall set up a process, to be approved by the Commission, for customers to request continuation of basic service and submit evidence that they were unable to acquire service from another Qualified Provider.</li> <li>- The company must file reports with the Commission every 6 months with information detailed in the "Reporting" section of the Staff Proposal.</li> </ul> <p>Month 24</p>

- Company submits a final report showing that all existing Basic Service customers have transitioned to a Qualified Provider.
- Commission will evaluate the company's compliance with all requirements in the Provisional Withdrawal period.

### **Consumer Information**

During the Provisional Withdrawal Period, the company must maintain the informational webpage outlined in Pre-Application Requirements. The webpage should be updated to reflect the Commission's provisional withdrawal approval of COLR withdrawal. The website should include up to date information on voice and broadband service offered by other Qualified Providers in the withdrawal area. Lastly, basic service customers must be able to call the company and receive assistance from a customer service representative to identify other service providers who service their specific address.

Similar provisions were adopted in the settlement between the State of Washington and CenturyLink. The settlement includes a commitment from CenturyLink to provide customer service agents, known as "Digital Ambassadors," to help customers find alternative service providers and answer questions about the transition.<sup>94</sup> Additionally, these Digital Ambassadors may schedule in-home mobile service tests to measure for signal strength if the customer reports that they do not have access to reliable service from the alternative providers listed.<sup>95</sup>

### **Extended Customer Input Process**

During the provisional withdrawal period, the Commission should establish a mechanism for consumers to notify the Commission of errors in the determination of significant consumer choice or changes in the availability of service from Qualified Providers. During the proceeding to grant provisional withdrawal, the burden is on the company to demonstrate that there is significant consumer choice within the withdrawal area and that consumers would not be harmed. However, the goal of this withdrawal process is to ensure that no consumer loses access to vital communications service. Therefore, the challenge

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<sup>94</sup> second full multiparty settlement agreement between State of Washington and the CenturyLink Companies, ATTACHMENT A: 2025 PLAN FOR AFOR OF CENTURYLINK ILECS, at 18

<sup>95</sup> second full multiparty settlement agreement between State of Washington and the CenturyLink Companies, ATTACHMENT A: 2025 PLAN FOR AFOR OF CENTURYLINK ILECS, at 18

process established during the application process must continue for the duration of the provisional withdrawal period.

This ongoing Customer Input Process will provide a venue for consumers who are unable to acquire service from another provider to notify the Commission. This could occur if one or more of the other providers identified in the application does not actually provide service throughout the whole area claimed by the application or if a competing provider stops providing service in some areas after withdrawal application is approved.

The Commission will evaluate the consumer input and include them in its determination of whether or not the company will be able to graduate from the provisional withdrawal period to permanent withdrawal. Additionally, the Commission may use the consumer input to determine if COLR obligations should be reinstated within specific subsets of the area.

### **Reporting**

For the duration of the 24-month provisional withdrawal period, the company must file reports with the Commission every 6 months that include the following information about the withdrawal area:

- b. Subscriber Information
  - i. The total number of voice service subscribers during each month
    - 1. The number of basic service customers during each month and technology type(s) used to provide that service
    - 2. The number of voice customers subscribed to a service that does not meet the definition of basic service
  - ii. The total number of broadband subscribers, by speed tier and service plan, during each month
    - 1. The number of broadband subscribers subscribed to service(s) that does not meet the definition of basic service
- c. Changes in reseller agreements
  - i. If the COLR provided an underlying service for any resellers providing voice and/or broadband service and the agreement is terminated, the company must notify the Commission.
- d. Consumer Choice
  - i. Identify if the service areas of any of the companies identified as Qualifying Providers in the application have changed.
  - ii. Number of customers who have requested to reestablish basic service with the COLR during months 13-24 because they are unable to establish service with another provider.

1. Number of those customers whose requests were approved and reestablished basic service.
2. Number of those customers whose requests were denied and the reasons for denial.

### **Service Quality Metrics**

The company must continue to maintain 100% compliance with all applicable service quality metrics and reporting as identified in the Pre-Application Requirements. Mere payment of fines for failure to meet GO 133-D (or its successor) standards will not be considered compliance; actual achievement of the General Order's requirements is necessary for compliance.

For regulatory purposes, including service quality standards, the company shall not be considered a COLR within the approved withdrawal area during the provisional period. However, they must continue to comply with all GO 133 standards applicable to their status as a facilities-based telephone corporation.

### **Revocation of Provisional COLR Withdrawal**

At the conclusion of the Provisional Withdrawal Period, the Commission will evaluate the company's compliance with all the requirements of the Provisional Withdrawal period as well as the content of the required reports and consumer challenges. This data will be used to determine if the COLR obligations will be reimposed in the withdrawal area, either in whole or in part.

Parties should propose a set of "failure conditions" that would trigger the Commission to either reopen the application or reimpose the COLR obligations. Examples of specific conditions that would trigger further review could include:

- Number of unresolved consumer disputes
- Consumer complaints
- Failure to submit all required reports
- Failure to meet service quality standards identified in GO 133-D (or its successor).
- Evidence of significant change to the level of available consumer choice

If the Commission determines that substantive review or reimposition of COLR obligation is necessary, then there will be a temporary freeze on new applications for adjacent areas. Service and customer conditions are likely to be similar in adjacent regions, so prohibiting

new applications for adjacent regions until the review has been completed will prevent unnecessary and duplicative work.

## Post-Withdrawal Phase

After the completion of the Provisional Withdrawal Phase, if the company plans to cease offering Basic Service or Modernized Essential Service within any part of the approved COLR withdrawal area, they must provide notice to affected customers consistent with the notice requirements described in the Pre-Application and Application Requirements sections. The notice must also include a list of Qualifying Providers offering service at the customers' service address.

## V. Limited Consumer Choice – COLR Requirements

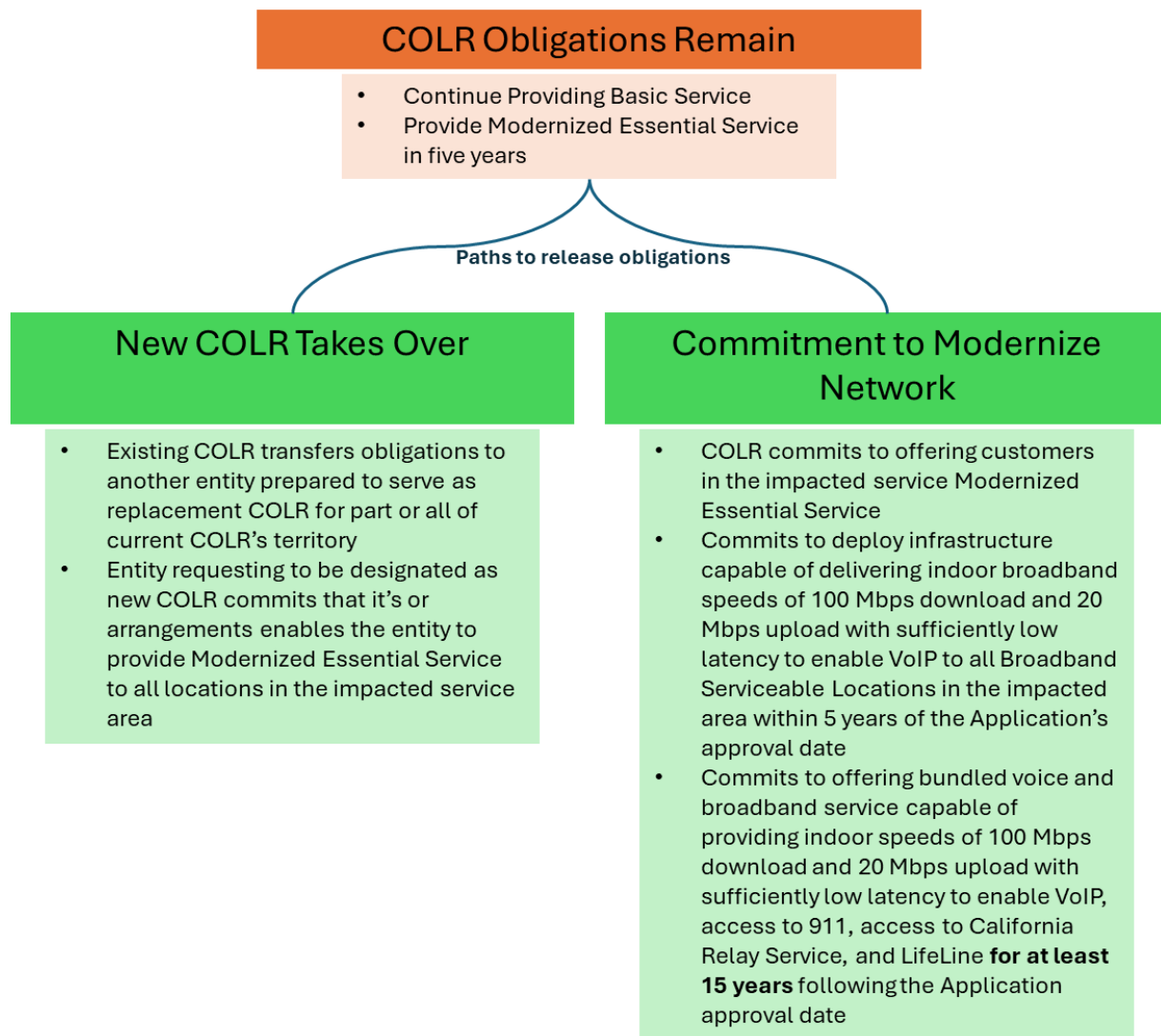
AT&T and US Telecom state that there is a high cost of maintaining legacy networks and instead of spending funds on those networks every year, those funds could be better spent upgrading their networks to “deliver the services consumers are demanding.”<sup>96</sup> Staff agree and recommend requiring COLRs serving areas with Limited Consumer Choice to continue as COLRs, providing basic service to all customers who request it and providing COLRs up to five years to upgrade their networks to be able to offer Modernized Essential Service.

Multiple parties in this proceeding, including the largest COLRs, have suggested that COLR obligations are not necessary to ensure ubiquitous deployment of advanced broadband networks and guarantee customers access to the elements of Modernized Essential Service.

COLRs in areas with Limited Consumer Choice who wish to apply for COLR withdrawal may do so under two scenarios only: (1) A new COLR takes over the existing COLR's obligations, or (2) the existing COLR commits to modernizing its network and offer Modernized Essential Service for no less than 15 years. COLRs should follow the same process delineated above for obtaining authorization to withdraw as COLR from Significant Consumer Choice areas in Limited Consumer Choice areas, with certain important departures from the process based on the different evidentiary showings that will be necessary for the Commission to authorize withdrawal as COLR in a Limited Consumer Choice area.

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<sup>96</sup> See Comments of USTelecom – The Broadband Association on ALJ Ruling Regarding Comments on Topics Discussed at the August 22, 2025, Workshop, 11/21/25, p.10.

**Limited Consumer Choice – COLR Requirements****New COLR Takes Over COLR Obligations**

First, staff recommend retaining the existing COLR rules option for existing COLRs to transfer COLR obligations to another entity that stands ready to serve as replacement COLR for either part or all of an area for which they currently serve as COLR. The Commission in D.96-10-066 set forth a process for an entity to volunteer to be designated as COLR, which D.12-12-038 explicitly reaffirmed and readopted as an Appendix to the later decision. That process required that an entity seeking to be designated as a COLR must file an advice letter stating its intent to be considered a COLR for specific area. The Commission will consider whether the advice letter should be approved based on the following factors:

- A) The facilities the carrier has in place or the arrangements that the carrier plans to enter into in order to provide basic service; and
- B) the ability of the carrier to promote the goals of universal service to all customer segments throughout the COLR's service area.

Staff recommend that this process be retained, with the minor revision that an entity requesting to be designated as a COLR should be required to identify its facilities or arrangements that will enable the entity to provide the elements of Modernized Essential Service, and especially to ensure broadband is available ubiquitously throughout the requested service area over the long term. Demonstrating this capacity could include plans to deploy necessary facilities or other arrangements by seeking grant funding from state programs such as the California Advanced Services Fund (CASF) or federal programs, and the Commission could condition approval of an entity's COLR status on a binding agreement to apply for relevant grant funding.

If the Commission has granted an entity authorization to be a COLR, then existing rules allow another COLR to opt out of its obligations by advice letter. Therefore, if an existing COLR seeks to withdraw from an area with Limited Consumer Choice, it may simply seek out another entity that is willing to take on the COLR obligations and work with that entity and the Commission to ensure that entity satisfies the requirements to become a COLR. This could include negotiating with the entity to transfer facilities or entering into contractual arrangements ensuring the entity will be able to satisfy its obligations as a COLR over the long term. Once an alternative entity has obtained designation as a COLR for a given area with Limited Consumer Choice, the company that had previously acted as the COLR in the area may opt out of its obligations by filing a Tier 3 Advice Letter, which the Commission should dispose of according to the existing procedures utilized in other instances in which a COLR that was not the sole remaining COLR has sought to withdraw from its obligations, including customer notification and mass migration procedures.<sup>97</sup>

## Commitment to Modernize Network

If a COLR serving an area of Limited Consumer Choice is unable to identify an alternative entity willing to become a replacement COLR, then staff recommend

that the COLR may pursue a second approach to relinquish its COLR obligations by, on the company's own accord, committing to offering customers in the impacted area will have Modern Essential Service. This commitment should be formalized by filing an Application with the Commission, which includes the following elements:

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<sup>97</sup> Cite Cox Resolution from ~2016 authorizing withdrawal as COLR

1. A commitment to deploy 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 5 years of the Application's approval date.
2. A commitment to offer bundled voice and broadband service capable of providing indoor speeds of 100 Mbps download and 20 Mbps upload with sufficient latency to enable VoIP, access to 911, access to California Relay Service, and LifeLine for at least 15 years following the Application's approval date.

As part of its application, the COLR should agree to file quarterly progress reports with the Commission demonstrating its progress toward meeting the broadband deployment commitment in subsection (1) and its continued adherence to its service commitments in subsection (2). If the Commission finds at any point that the COLR is unlikely to successfully implement the plan to achieve the commitments described in (1) or that the COLR is no longer adhering to the commitments described in (2), the Commission may suspend the process by which the COLR is seeking to ultimately obtain authorization to withdraw as COLR, and the Commission may issue future orders as necessary to correct the deficiencies and enable the COLR to achieve its voluntary commitments. These orders should specify any changes to the timeline under which the COLR may ultimately be allowed to file an application seeking authorization to withdraw as COLR. In other words, if the Commission finds that the COLR will need an additional two years to implement any conditions necessary to correct identified deficiencies in deployment of broadband, then the Commission should indicate that the COLR should continue upholding its commitment under (2) for an additional two years beyond the original 15-year commitment.

When the COLR has achieved its voluntary commitments described under (1), it shall file a Tier 3 Advice Letter with the Commission demonstrating its completion of the voluntary commitments along with any documentation necessary to substantiate its claim, and the Commission should request additional data as needed to validate the claim of having satisfied its voluntary commitment. If the COLR obtains approval of the Tier 3 Advice Letter, then it should no longer be required to file the quarterly progress reports, but it should continue filing annual reports certifying its continued adherence to the commitments in (2).

If the COLR has obtained approval of the required Tier 3 Advice Letter demonstrating its successful completion of the commitments in (1) and has continued to adhere to its commitments in (2) for 14 of the required 15-year period, the COLR should file a second Tier 3 Advice Letter stating its intent to file an application no sooner than one year from the submission date of the Advice Letter requesting authorization to withdraw as the COLR for



a defined area. The Advice Letter should include documentation of the Pre-Application Requirements, and Transition Process specified above, detailed plans to conduct the required consultations and public information sessions, documentation of the Commission's approval of the previous Tier 3 Advice Letter, and documentation of the COLR's continued adherence to the commitments in (2), as well as any additional conditions to which the COLR has agreed during the 15-year period. The Commission should request additional data as needed to validate the claim of having satisfied its voluntary commitments.

These two additional routes for remaining COLRs who seek to withdraw from its obligations in Limited Consumer Choice areas advance public safety and universal access by the company committing to modernize its network and deliver reliable, modernized essential services.

## **VI. Areas for Further Examination**

### **Compliance with Current COLR Rules: Denials of Basic Service**

Existing COLR rules compliance and enforcement is not a scoped issue in this proceeding. Nonetheless, numerous members of the public have engaged with this proceeding to raise their concerns about challenges they have experienced in trying to obtain basic service

from their local COLR.<sup>98</sup> These concerns have been echoed by panelists invited to participate in workshops in this proceeding<sup>99</sup> as well as in formal party comments.<sup>100</sup>

In 2013, the Commission ordered an examination of the telecommunications networks' performance and related services, policies, and practices of the two largest COLRs, AT&T and Frontier, to evaluate the condition of the network infrastructure, facilities, services, and

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<sup>98</sup> "I am 47, have two young children, and have had a landline my entire life. When I recently moved I was told for the first time I could not order a landline." (Fort Bragg, CA, May 20, 2025, 8:41 pm). "I called at&t to request traditional landline telephone service for the reasons I stated above. They told me that my apartment had the usable copper lines to support landline service, but that at&t does not offer landline service anymore - only 'fiber' or 'voip' - both of which require electricity or internet or both electricity and internet." (Berkeley, CA, Jul 15, 2025, 8:57 pm). "AT&T refuses to run fiber to my address. AT&T disconnected my copper DSL with no alternative. They offer no internet service other than a terrible cell phone box alternative to my landline. I am a retired AT&T cell site technician." (Soquel, CA, Mar 17, 2025, 6:01 pm). "I recently tried to order AT&T U-verse wired internet that is not regulated by the CPUC and AT&T was persistent trying to prevent me from placing an order and would only offer AT&T Air which an AT&T Mobility cellular product and is non-regulated and there is no cell service in my house. After numerous calls and attempts I was finally able to order wired internet. If the regulations on POTS Landline are changed, AT&T would attempt to do the same to try to barricade customers from placing orders for landline POTS services, as they are notorious for mistreating their customers." (Fairfield, CA, May 13, 2025, 5:09 pm)

<sup>99</sup> "My employer, Frontier, has told rural customers against the law that they were not allowed to do this, that they do not service their communities." (Thomas Ham, CWA Member, Vista, CA PPH, April 9, 2025). "They are stopping sales on landlines, even though you guys haven't made a decision yet. That is happening right now, already." (Steve Duty, CWA Member, Roseville, CA PPH, April 23, 2025). "my long distance carrier, went out of business or quit or whatever they did, and I just picked up my phone that morning and I had no service. Everything basically from my house is long distance. So, I immediately called AT&T, because that's the other bill that I pay for my phone service so I was already with AT&T. I was told when I finally reached someone [...] said no in any number of ways that I could not have long distance hooked up to my house even though the line was already there, and I was paying AT&T every month for my basic service. So that went on for a long time and the various calls and people trying to help supposedly." (Holly Gustafson, Santa Rosa, CA PPH, April 30, 2025). "My property, like many others, is out of range for cell service. If the power were to go out, Wi-Fi calling would not work and we would have no way of contacting emergency services. For this reason, I requested that AT&T provide a copper landline on the property. Something I understand they are legally obligated to do as the Carrier of Last Resort. I made numerous calls to AT&T to get this landline installed and have been told at every turn that our property is ineligible for a new landline." (Kelly Dannier, Santa Rosa, CA PPH, April 30, 2025).

<sup>100</sup> "It is EQUAL's understanding that AT&T has been working on a POTS replacement "in a box" with a third-party supplier. It is not clear why ATT has not introduced this solution to market, but it is reasonable to conclude that AT&T doesn't want to bear the capital cost of this replacement equipment, hoping instead to push customers to switch to other technologies or providers (if available) due to AT&T's exceptionally poor repair service and refusal to process new orders for POTS." (Comments Of Empowering Quality Utility Access For Isolated Localities ("Equal") To Administrative Law Judge's Ruling Regarding Comments On Topics Discussed At April Workshops, June 13, 2025, p. 4.)

"Californians provided comment at public participation hearings (PPHs) and in comments submitted to the proceedings' respective docket cards. These comments include countless examples of AT&T refusing to provide service to customers within its service territory, refusing to repair service, refusing to work with customers, and trying to 10 push customers into using non-landline services." (OPENING COMMENTS OF THE UTILITY REFORM NETWORK AND CENTER FOR ACCESSIBLE TECHNOLOGY ON THE ADMINISTRATIVE LAW JUDGE'S RULING REGARDING COMMENTS ON TOPICS DISCUSSED AT APRIL WORKSHOPS, June 13, 2025, pg. 9-10.)

best practices to deliver a consistent Quality of Service with public safety grade to their customers.<sup>101</sup> The resulting Network Examination was initially completed in April 2019 and was subsequently updated in a Phase II study to include data from 2018-2019, with a public version of the Phase II study released in July of 2021.<sup>102</sup> The Network Examination observed ongoing deterioration in the service quality of voice services, included the products identified by each company as meeting their respective obligations to offer basic service as a COLR, due to persistent disinvestment in infrastructure necessary for voice service and increased investment in higher income communities and areas most heavily impacted by competition.<sup>103</sup> The Network Examination also identified evidence suggesting that both AT&T and Frontier had ceased active marketing of basic service, degraded service quality, and relied on successive price increases. This has provided more reason for customers to switch to mobile service exclusively while those with the greatest need for basic service (due to lack of consumer choice, lack of mobile coverage, or acute need for the reliability or affordability of basic service) have to pay more and more for wireline service whose quality is rapidly deteriorating.

Many customers continue to request basic service. Staff believe it is appropriate for the Commission to separately investigate reports of possible denials of basic service. Failure to provision basic service in COLR territory can be misconstrued as lack of demand when reporting on new customer connections. The Commission should investigate further. Such an investigation should consider what enforcement remedies may be necessary and appropriate to ensure COLRs are upholding their existing legal obligations and will continue to uphold those obligations going forward.

## High Cost Fund Reform

The Commission manages two high-cost funds that provide support or subsidies in areas in California that are high-cost to serve. First is the California High Cost Fund A (CHCF-A) program. The CHCF-A was established in 1987 with Pub. Util. Code § 275.6 to minimize telephone rate disparities between rural and metropolitan areas to keep rates affordable in areas with lower population densities. CHCF-A is funded through the public purpose program access line surcharge. Currently, 10 out of 13 Small Incumbent Local Exchange Carriers (Small ILECS), which serve as COLRs in their designated territory, participate in the CHCF-A program and receive CHCF-A support. The CHCF-A program, through its subsidies, allows the Small ILECs to earn a rate-of-return on its plant that can be used to provide both voice and broadband service. Participating Small ILECs are allowed to

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<sup>101</sup> D. 13-02-023. [Cite]

<sup>102</sup> Cite both versions of Network Exam

<sup>103</sup> Citation to pages 6-8 of Network Exam Phase II

“include all reasonable investments necessary to provide for the delivery of high-quality voice communication services and the deployment of broadband-capable facilities in the rate base of small independent telephone corporations.”<sup>104</sup> To this end, the CHCF-A already provides support for COLR network modernization and the offering of Modernized Essential Services.

Second is the California High Cost Fund B (CHCF-B). The CHCF-B was established in 1996, with statutory authorization now contained within Pub. Util. Code § 276.5 to support telephone service in rural, high-cost areas served by the larger ILECS. The goal is to create fair and equitable local rate structures to minimize telephone rate disparities between rural and metropolitan areas to keep rates affordable in areas with lower population density. CHCF-B support is calculated based on the number of qualifying access lines.

COLRs eligible for CHCF-B support are Pacific Bell (dba AT&T California), Frontier California, Inc., Frontier Communications of the Southwest, and Citizens Telecommunications Company of CA (dba Frontier Communications of California). Like CHCF-A, CHCF-B is also funded through the public purpose program access line surcharge, although it currently receives no allocation due to a fund surplus. In fiscal year 2024-25, CHCF-B had a budget of \$22.4 million and supported 38,887 lines at an average of \$13.13 per month or \$157.56 per year for each line.

Over the past decade, the number of lines supported by CHCF-B has declined, in part due to the decline in subscriptions to basic service. The Commission in D.07-09-020 reduced the overall magnitude of subsidized support by raising the high-cost benchmark from between \$20-\$25, depending on the COLR, to a ubiquitous \$36 per line. This led to a large reduction in lines receiving support.

In that same Decision, the CPUC asked whether it should reconsider the definition of basic residential service and include an enhanced service such as broadband. Citizens (now Frontier) suggested the CHCF-B balance could be used for statewide broadband deployment initiatives and/or service to underserved areas in the state.<sup>105</sup> The CPUC went on to say that in a broadband environment, “telephone service is simply one of many data streams flowing over the broadband connection” and it concluded that it would be imprudent to continue to only support legacy networks of COLRs through the universal service programs.<sup>106</sup>

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<sup>104</sup> Public Utilities Code 275.6(c)(6)

<sup>105</sup> D.07-09-020, September 13, 2007, p.59; issued in R.06-06-028.

<sup>106</sup> D.07-09-020, September 13, 2007, p.65; issued in R.06-06-028.

Given where we are today, in 2025, where voice services are supported through broadband-capable networks, Staff recommends the Commission consider reforming, through a separate proceeding, the CHCF-B program, to support Modernized Essential Service.

# Attachment A: Consideration of Basic Service Elements

## Current Basic Service Element 1: Voice-Grade Connection

In 1996, the Commission adopted multiple elements of basic service relating to a customer's ability to place and receive voice calls over all distances.<sup>107</sup> In 2012, the Commission consolidated these elements into a single element with the intent of ensuring basic service customers may send and receive voice calls both locally and by longer distance.<sup>108</sup> The Commission further emphasized the technology neutral quality of this definition, requiring only "a voice-grade connection from the customer residence to the public switched telephone network or its successor network," which could be satisfied utilizing wireless technology or Voice over Internet Protocol (VoIP), in addition to the traditional method of supplying POTS over twisted pair copper wiring.<sup>109</sup> The ability to make and receive voice-grade telephone communications continues to be a cornerstone element of essential services, even in a modernized communications marketplace, and it is therefore essential to participation in modern society and advances public safety. A voice-grade connection from a customer's premises enables the customer to promptly call for and receive help during emergencies or natural disasters and plays an irreplaceable and vital role in the daily functioning of education, health care, and California's economy. It enables real-time two-way communication with other individuals or entities, enabling forms of communication that are not easily replaceable with other forms of communication enabled by advanced networks, such as text-based platforms. Survey data indicates that many customers continue to prefer voice calling as a method of communication, especially older customers who may lack familiarity or agility utilizing alternatives to voice communication.<sup>110</sup> Furthermore, even in a modernized communications network, voice service utilizing VoIP can fill an important role when customers are unable to utilize communications services requiring higher bandwidth,<sup>111</sup> either due to insufficient availability of broadband infrastructure, inability to pay for higher-priced services, or network conditions.

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<sup>107</sup> D. 96-10-066, Appendix B, Page 444.

<sup>108</sup> D. 12-12-038, Page 19.

<sup>109</sup> D. 12-12-038, Page 20.

<sup>110</sup> McQueen Analytics, November 2024. "Divided by Device: The Need to Connect, Generational Differences, and Tech Displacement," Page 4.

<https://mcqueenanalytics.com/hubfs/Communication%20Whitepaper%20-%20Divided%20by%20Device.pdf>

<sup>111</sup> Vonage, June 22, 2025. "VoIP Bandwidth: How Much Do I Need?"

<https://www.vonage.com/resources/articles/voip-bandwidth/>

A substantial majority of customers utilize voice calling services. Furthermore, Californians continue to subscribe to voice services at very high rates. As of July 2025, telephone corporations reported to the Commission nearly 54 million access lines<sup>112</sup> for purposes of remitting required surcharges, meaning there were more subscriptions for voice services than California population, well above the suggested 65 percent penetration threshold identified in D. 96-10-066 and suggesting near ubiquitous adoption of voice services.

Some parties cite changing customer demands for voice services to suggest voice services may no longer be considered essential. For instance, AT&T states in opening comments that consumers prefer advanced wireless or broadband voice options compared to POTS and that fewer than 5% of households in its service territory subscribe to POTS basic service.<sup>113</sup> However, this suggestion does not refute the fact that access to a voice-grade connection, which may be provided through a range of technologies or services, remains widely adopted and utilized by Californians. Therefore, while it is true that customers may be obtaining voice services using a range of technology types, this only reinforces the importance of access to reliable voice services for Californians.

The benefits of guaranteeing voice-grade connections to any customer within a COLR's territory outweigh the potential costs. Ensuring customers can access emergency services, health care, and other economic, educational, and governmental resources increase the safety and well-being of all Californians and benefit the state as a whole, resulting in incalculable, ongoing benefits accrued to the public. Conversely, each COLR is already obligated to ensure access to a reliable voice connection for any customer within its territory, meaning this element should not imply any incremental additional costs to the COLR. To the extent COLRs face costs associated with maintaining legacy wireline connections used to satisfy this obligation, they are encouraged to explore deployment of advanced, broadband-capable technology that may have lower long-term maintenance costs. Additionally, they may apply for grant funding to deploy infrastructure enabling these services through federal and state programs.<sup>114</sup>

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<sup>112</sup> Data obtained through the Telecommunications and User Fees Filing System (TUFFS) as of October 16, 2025.

<sup>113</sup> Opening Comments of AT&T on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at April Workshop, pg. 3.

<sup>114</sup> The California Advanced Service Fund (CASF) is an ongoing program that issues grants for the deployment of broadband networks. The California High-Cost Fund A (CHCF-A) program funds reasonable broadband capable investments for participating smaller COLRs. The Commission also administers the BEAD Program; a federal initiative aimed at providing high-speed internet access in underserved and unserved areas.

In reaffirming the need for a reliable, voice-grade connection as an element of basic service, the Commission in D. 12-12-038 clarified that it was the obligation of providers to promptly restore service if “at any time” a basic service customer fails to receive a voice-grade connection.<sup>115</sup> Multiple parties in this proceeding have argued that the essence of this requirement, the need for customers to be able to rely on voice services during an emergency or power outage means that providers must adhere to the Commission’s requirement of 72 hours backup power throughout networks in High Fire Threat Districts 2 and 3.<sup>116</sup> Multiple parties further argue that, in applying this requirement to COLRs, the Commission should require COLRs to offer Customer-Premises Equipment (CPE) to ensure that VoIP service continues to work during a power outage.<sup>117</sup> CD Staff agree with these recommendations, and note that the Federal Communications Commission (FCC) already took action in 2015 to establish a federal requirement that facilities-based fixed residential voice service providers offer “at least one option that provides a minimum of twenty-four hours of standby backup power” for CPE, as well as specified information at the point of sale and annually on service limitations, expected backup power duration, purchase and replacement options, and subscriber backup power self-testing and monitoring instructions.<sup>118</sup> CD Staff recommend including language specifying that VoIP offered as a component of Modernized Essential Service must also include the opportunity for customers to obtain CPE from the COLR capable of 72 hours of backup power. COLRs should be able to satisfy this requirement by clearly communicating to the customer at the point of sale (or within 30 days of a Decision in this proceeding for existing customers), and annually thereafter, the following minimum information:

- 1) The availability of customer-premises equipment from the COLR providing backup power for at least 72 hours
- 2) Limitations of voice service with and without backup power during a power outage
- 3) Specific steps the customer may take to obtain the CPE from the COLR

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<sup>115</sup> D. 12-12-038, Page 21, and at Appendix A, Basic Service Element 1(e).

<sup>116</sup> Public Advocates Office Comments on the Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at April Workshops, June 13, 2025. Pages 8-10. Opening Comments of the Utility Reform Network and Center for Accessible Technology on the Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at April Workshops, June 13, 2025. Pages 14-16. Comments of Empowering Quality Utility Access for Isolated Localities To Administrative Law Judge’s Ruling Regarding Comments on Topics Discussed at April Workshops, June 13, 2025. Page 7.

<sup>117</sup> Ibid.

<sup>118</sup> Federal Communications Commission Report and Order 15-98 issued August 7, 2015, in FCC Public Safety Docket No. 14-174 on Ensuring Continuity of 911 Communications.  
<https://docs.fcc.gov/public/attachments/FCC-15-98A1.pdf>



- 4) A clear, explicit statement of any costs, with no hidden fees or otherwise confusing terms
- 5) Expected duration of backup power provided by identified CPE
- 6) Proper usage and storage conditions for the backup power CPE
- 7) Instructions for a customer to conduct self-testing of the CPE and ensure it is still functioning properly
- 8) Contact information for specific customer service staff of the COLR to respond to customer questions about CPE and backup power

As voice service remains an essential element of the modern telecommunications marketplace, CD staff recommend retaining and minimally revising this element to ensure access to a voice-grade, reliable connection enabling two-way calling across all distances through the PSTN. This element should be adopted as part of the new definition of modernized essential services.

#### Current Basic Service Element 2: Free Access to 911

The Commission established free access to emergency services through 911 and Enhanced 911 (E911), as an element of basic service in D. 96-10-066, and it reaffirmed the importance of this element in D. 12-12-038, adopting only minimal clarifying changes.<sup>119</sup> As with Element 1 above relating to a voice-grade connection to the PSTN (and all elements of basic service), the Commission does not and has not dictated the use of any particular network design or technology to satisfy the requirement for 911/E911 access in the context of basic service, though federal law includes specific provisions establishing the obligation of wireless<sup>120</sup> and interconnected VoIP providers<sup>121</sup> to ensure 911 access for customers. Emergency 911, including E911 and Next Generation (NG) 911 as it is implemented, remains essential for participation in society. Without it, customers are unable to contact emergency services or report hazardous conditions to appropriate authorities, creating acute danger for themselves and their communities. This expectation that every person has access to 911 is essential to the functioning of emergency services and modern society itself, and this expectation is reflected in federal<sup>122</sup> and state law<sup>123</sup> establishing the 911 system and the requirements for providers to transmit 911 calls to appropriate Public

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<sup>119</sup> D. 12-12-038, Page 23.

<sup>120</sup> 47 C.F.R. § 9.10. 911

<sup>121</sup> 47 C.F.R. § 9.11 and § 9.12.

<sup>122</sup> 47 C.F.R. § 9.4

<sup>123</sup> Public Utilities Code Section 2896.1 requires mobile providers to provide 911 access to emergency services.

Safety Answering Points (PSAP). Accordingly, the “subscription rate” to 911 is essentially 100 percent, since all telephone corporations are required to appropriately transmit calls to the appropriate PSAP. Moreover, the 911 system is broadly utilized by Californians, with over 25 million 911 calls made annually, including more than 1 million via non-VoIP wireline voice connection in 2024.<sup>124</sup>

The benefits of requiring 911 access are practically beyond measure, with many lives saved and damage to public interests avoided because customers are able to contact appropriate law enforcement, fire, and medical services at their precise moment of need. While there are costs to providers for ensuring access and location tracking functionality, these costs do not approach the benefits of 911 access. Moreover, since providers are required by law to ensure access to 911, including E911 and NG911, including this as an element of Modernized Essential Service should not create any new incremental costs.

Ubiquitous access to 911 must be mandated and cannot be left to market incentives to guarantee. Beyond the unacceptable risks to public safety created by the possibility of unpredictable gaps in the emergency response system, consumers may not universally consider whether 911 is a component of voice services due to the longstanding and widely held assumption of its ubiquity. Free access to 911 remains necessary to ensure universal service and protect public safety however, it should be amended to state free access to emergency services through 911, including all successor versions of the 911 system such as Enhanced 911 and Next Generation 911.

### Current Basic Service Element 3: Directory Services

In D. 96-10-066, the Commission set forth several basic service elements ensuring access to various directory services. The Commission subsequently reaffirmed and consolidated these into a single element in D. 12-12-038, requiring COLR providers to offer directory assistance, one free white pages listing, and a free white pages directory.

There is little evidence that access to directory services is essential to participation in modern society. Online search platforms allow quick access to contact information, services, and resources without needing to use traditional directory services. People with hearing, vision, or mobility disabilities can search and access information on their own with

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<sup>124</sup> California Governor’s Office of Emergency Services, Presentation to 911 Advisory Board, February 2025. <https://www.caloes.ca.gov/wp-content/uploads/PSC/Documents/911-Advisory-Board-Slides-February-2025.pdf>

the use of text-to-speech tools, screen readers, and voice assistants.<sup>125</sup> Customers can ask a digital assistant to locate a number, schedule a service, or read out directions without having to use directory services. Online databases maintained by advocacy groups, government websites, and disability resource centers have reduced the need for static directory listings. Online directory services are easier to keep up-to-date, and comply with Americans with Disabilities Act (ADA) requirements to provide real-time, inclusive access.<sup>126</sup> While some parties in this proceeding express concern about accessibility of this information without this element of basic service,<sup>127</sup> CD staff find that the ability to look up telephone numbers and other information through online tools and applications means that access to directory services is not a necessary element of Modernized Essential Service. Californians who don't have access to a broadband connection or cell phone coverage can dial 211 to access information, referrals, and essential community services.<sup>128</sup>

In recent years, the number of customers accessing the various elements of directory services required by this basic service element has declined substantially. AT&T reported 51,000 voice calls requesting directory assistance in California in 2024, an 18% decline over 2023.<sup>129</sup> Frontier showed a similar decrease for the same years.<sup>130</sup> Consolidated reported a decline of over 71% in requests for directory assistance between 2020 and 2024.<sup>131</sup> In a similar vein, TDS Companies had a 69.5% decline in requests for directory services from 2020 to 2024.<sup>132</sup> Traditional landline usage nationwide has dropped to below 15% of households in 2024, reducing reliance on directory assistance.<sup>133</sup>

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<sup>125</sup> Federal Register. [Nondiscrimination on the Basis of Disability; Accessibility of Web Information and Services of State and Local Government Entities](#). April 4, 2024.

<sup>126</sup> U.S. Department of Justice Civil Rights Division. March 18, 2024. <https://www.ada.gov/resources/web-guidance>

<sup>127</sup> Opening Comments of TURN/CforAT/CWA on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 27.

<sup>128</sup> Decision 03-02-029 in 2002 determined that 211 services are to be rolled out by county and establishing administrative procedures for implementing 211 dialing in California.

<sup>129</sup> Opening Comments of AT&T on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at the August Workshop, pg. 32.

<sup>130</sup> Opening Comments of Frontier on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at the August Workshop, pg. 11.

<sup>131</sup> Opening Comments of Consolidated on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at the August Workshop, pg. 11 -12.

<sup>132</sup> Opening Comments of TDS Companies on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at the August Workshop, pg. 8.

<sup>133</sup> Federal Communications Commission, Voice Telephone Services: Status as of June 30, 2024. Accessed December 2, 2025. [Voice Telephone Services Report | Federal Communications Commission](#).

Indeed, despite the existing obligation to offer access to these services as part of basic service, customers have dramatically reduced use of directory services.

According to multiple parties, the benefits of ensuring access to these directory services do not appear to outweigh the costs. EQUAL advises the Commission to remove antiquated or competitively available requirements like directory services to make it feasible for smaller competitors to serve as replacement COLRs, and that should not include extras like printed books or directory assistance.<sup>134</sup> Consolidated states that the requirement to provide directory services is outdated and tangential to the principles of basic service which should be limited to voice-grade connections and free unlimited access to 911/E911.<sup>135</sup> TDS Companies state that the Commission should modernize and streamline the definition of basic service by removing unnecessary elements like directory services, arguing modifications will reduce competitive disparities between COLRs and their competitors.<sup>136</sup> Independent Small LECs state that directory services and the requirement to provide “white pages” listings are outdated and no longer needed.<sup>137</sup> CD Staff agree that this element is not necessary and recommend not including this element of basic service as an element of Modernized Essential Service.

#### Current Basic Service Element 4: Billing Provisions

The fourth basic service element includes various provisions related to the ways in which COLR providers may structure pricing of basic service plans (without directly establishing the actual rates). The Commission in D.12-12-038 revised requirements from D. 96-10-066 into the following billing provisions related to basic service:

- (a) Providers of basic service must offer customers the option to receive unlimited incoming calls without incurring a per-minute or per-call charge.
- (b) Carriers offering basic service must offer a flat rate option for unlimited outgoing calls that at a minimum mirrors the local exchange or an equivalent or larger sized local calling area in which the basic service customer resides.

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<sup>134</sup> Opening Comments of EQUAL on R.24-06-012 to consider changes to the Commission’s Carrier of Last Resort rules, September 30, 2024, pg. 16.

<sup>135</sup> Opening Comments of Consolidated Communications on R.24-06-012 to consider changes to the Commission’s Carrier of Last Resort rules, September 30, 2024, pg. 8.

<sup>136</sup> Opening Comments of The TDS Companies on R.24-06-012 to consider changes to the Commission’s Carrier of Last Resort rules, September 30, 2024, pg. 1-2.

<sup>137</sup> Opening Comments of The Independent Small LECs on R.24-06-012 to consider changes to the Commission’s Carrier of Last Resort rules, September 30, 2024, pg. 9.

- (c) Basic service must be offered on a non-discriminatory basis to all residential households within the provider's service territory. A carrier may satisfy this obligation using different technologies throughout its service territory.
- (d) COLR providers must offer Lifeline rates on a non-discriminatory basis to any customers meeting Lifeline eligibility requirements residing within the service territory where the provider offers basic service.
- (e) Carriers providing basic service must offer an option with monthly rates and without contract or early termination penalties.
- (f) Carriers may offer added features and/or enhanced service elements without additional charge(s) as part of a basic service offering. For example, carriers must not obligate customers to also subscribe to service bundles that require subscription to data and/or video services as a condition of receiving basic service.
- (g) As of January 1, 2011, the Commission no longer imposes caps on basic rates. A COLR serving in a high-cost area, however, will continue to be required to certify that its basic rate in a designated high-cost area does not exceed 150% of the highest basic rate charged by a COLR in California outside of the high-cost area.

The billing provisions established in D. 96-10-066 and clarified by D. 12-12-038 highlight the reality that affordability is an inseparable component of access to essential services. If essential service is bundled with provisions that effectively ensure service is unaffordable, such as punitive fees, utilization caps, or confusing billing terms like non-monthly billing intervals, then basic service will cease to be a credible option for customers, and the usefulness of any other individual elements of essential service would be degraded. It is clear that the spirit of these billing provisions remain necessary to guarantee universal access to Modernized Essential Services, though staff recommend modernizing and consolidating the existing elements in several ways.

The most critical sub-element of the basic service billing provisions is the requirement to offer LifeLine rates on a non-discriminatory basis to any customer. LifeLine is a universal service program established pursuant to legislation<sup>138</sup> designed to preserve the availability of high-quality essential communication services to low-income customers at affordable prices through statewide subsidies. LifeLine provisions became a basic service element pursuant to D.96-10-066 and were retained in the Commission's revised definition adopted

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<sup>138</sup> Pub. Util. Code Section 871.7. The Moore Universal Telephone Service Act, enacted in 1984, was intended to offer high quality basic telephone service at affordable rates to the greatest number of California residents.

in D.12-12-038. COLR providers must meet the LifeLine requirements adopted in D.14-01-036 and offer LifeLine services and rates to eligible customers within its service territory.

LifeLine offers a monthly discount on wireline or wireless telephone service and bundled broadband and voice service, making it more accessible for families at or below 150% of the federal poverty level or enrolled in public assistance programs.<sup>139</sup> Without this subsidy, many eligible households would be unable to maintain service, even if COLRs technically provide it. In a state prone to wildfires, earthquakes, and areas with spotty cell coverage, reliable voice service is literally a lifeline. LifeLine helps maintain active phone lines for seniors, people with disabilities, and residents in remote regions, ensuring they can reach emergency services when it matters most.

LifeLine helps cover both voice and broadband expenses, enabling low-income Californians to access critical online resources, such as employment, telehealth services, and education, all of which are essential for participation in society. Operating networks in rural or mountainous areas increases costs for carriers and LifeLine helps offset these expenses by ensuring a base of discounted subscribers, supporting continued service in sparsely populated communities. Without LifeLine credits carriers may struggle to meet requirements for affordable service, potentially leading to service discontinuations or rate increases. The benefits of the LifeLine program clearly outweigh the costs and remain necessary.

The LifeLine service element is essential to providing essential communication service to Californians and should be retained in a definition of Modernized Essential Service. Its importance is recognized in related Commission rules, such as the Consumer Bill of Rights Governing Telecommunications Services established in GO 168<sup>140</sup> that reinforces the importance of LifeLine to affordability of essential communication services. In 2024, the LifeLine program enabled approximately 1.7 million participants to purchase affordable communications services, of which 25% were aged 65 and older.<sup>141</sup>

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<sup>139</sup> CPUC, [California LifeLine Eligibility](https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline/california-lifeline-eligibility), 2025. <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline/california-lifeline-eligibility>

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<sup>141</sup> 2024 Annual Report, California LifeLine Program, March 2025.

TDS Companies<sup>142</sup>, Independent Small LECs<sup>143</sup>, California Farm Bureau Federation<sup>144</sup>, TURN/CWA/CforAT<sup>145</sup>, Public Advocates<sup>146</sup>, and SBUA<sup>147</sup> argue LifeLine is critical to essential service. The Independent Small LECs also agree with retaining LifeLine as an essential service, with minor caveats.<sup>148</sup> TURN/CforAT state that under current rules, providers who are not COLRs that voluntarily participate in LifeLine can leave the program with just 30 days' notice, making them unreliable as COLR alternatives.<sup>149</sup> In order for customers to access the benefits of LifeLine, they must be able to obtain essential service from a provider that participates in LifeLine. Without a mandate for COLRs to participate in LifeLine, it is possible that many customers would find themselves unable to obtain essential service at their location from a provider participating in LifeLine. Broad party support makes clear that mandatory LifeLine participation by COLRs, and the associated obligation to offer LifeLine rates to all eligible customers, should be retained as an element of Modern Essential Service.

LifeLine remains a critical element of the Commission's mandate to ensure universal service by providing income-qualified customers with a critical discount improving the affordability of essential services, especially as customers increasingly require broadband services to satisfy their essential communications needs. Cal Advocates argues the requirement to offer LifeLine should include broadband bundled with voice services.<sup>150</sup> CD Staff recommend adopting this requirement, as it is essential that customers eligible for LifeLine be afforded the opportunity to fully obtain the benefits afforded by access to the advanced communication services that the LifeLine program is intended to accomplish. It would be a significant obstacle to universal service if LifeLine-eligible customers were barred from accessing bundled voice and broadband service or standalone broadband service that they are otherwise eligible for simply due to its lack of availability at their

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<sup>142</sup> Opening Comments of TDS Companies on R.24-06-012 to consider changes to the Commission's COLR rules, September 30, 2024, pg. 9.

<sup>143</sup> Opening Comments of The Independent Small LECs on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 6.

<sup>144</sup> Opening Comments of the California Farm Bureau Federation on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, September 30, 2024, pg. 7.

<sup>145</sup> Opening Comments of TURN/CforAT/CWA on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 26.

<sup>146</sup> Opening Comments of The Public Advocates Office on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, September 30, 2024, pg. 77.

<sup>147</sup> Opening Comments of Small Business Utility Advocates on R.24-06-012 on April Workshops, June 13, 2025, pg. 6.

<sup>148</sup> Opening Comments of The Independent Small LECs on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 10.

<sup>149</sup> Opening Comments of TURN/CforAT on R.24-06-012 April Workshops, June 13, 2025, pg. 6.

<sup>150</sup> Opening Comments of The Public Advocates Office on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, September 30, 2024, pg. 14.

location. Therefore, as the Commission revises the definition of basic service into a new Modernized Essential Service, it should retain a requirement that COLRs provide customers a LifeLine discount on bundled voice and broadband service or standalone broadband service for eligible customers.

Sub-elements (a), (b), (c), (e), and (f) relate to the need for basic service customers to have predictable billing based on reasonable terms and conditions. The requirements contain provisions equalizing rates for calling between different service territories. COLRs do not incur additional costs for what used to be classified as long-distance or toll calls.

Customers will see a single, tariffed flat-rate local service charge from the COLR. Those calls remain the responsibility of interexchange carriers which pay the COLR regulated access charges for originating or terminating calls in the COLR's local exchange area.<sup>151</sup> As the vast majority of voice traffic continues to migrate from the legacy telephone network to an IP-based platform, the cost of connecting local versus long-distance calls has diminished substantially, and almost no providers continue to charge different rates for "local" or "long-distance" calls.<sup>152</sup> Sub-element (g) is not strictly necessary as a matter of Modernized Essential Service and should be removed from the definition.

Costs associated with ensuring essential service is offered to customers using predictable and understandable billing practices clearly outweigh the benefits of ensuring customers are able to understand the price they pay for service and terms of service associated with essential service. Ensuring customers have clear and transparent information to subscribe to a straightforwardly priced plan is essential to guarantee the benefits of essential service and, by extension, participation in modern society. Therefore, the intent of these billing provisions are necessary yet can be met through a more straightforward requirement that Modernized Essential Service be available for a simple rate clearly articulated to the customer and on the company's website, with no hidden fees. The information should, at minimum, include rates, charges, and terms and conditions of Modernized Essential Service. A "simple" rate should be flat rather than measured, with no delineation between the cost to make or receive calls across any distance, and the customer should be billed on a regular, monthly basis. COLRs should not charge customers early termination or contract fees. The rate should be charged on a non-discriminatory basis to all customers.

CD Staff recommend remaining vigilant regarding the terms and conditions and pricing practices of providers of Modernized Essential Service. COLRs must submit a Tier 1 Advice

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<sup>151</sup> FCC, 47 CFR Part 51& 69 – Reciprocal Compensation for Transport and Termination of Telecommunications Traffic, August 29, 2025.

<sup>152</sup> World Metrics. "Long Distance Statistics: Long-distance calling market shifts toward internet, VoIP, mobile, and efficiency". Accessed October 29, 2025. <https://worldmetrics.org/long-distance-statistics/>



Letter (AL) to the Commission for approval detailing the terms and conditions of the Modernized Essential Service. To the extent evidence is gathered that demonstrates providers are employing unusual, confusing, or predatory practices with respect to billing of Modernized Essential Service and thereby discouraging customers from subscribing, the Commission should take action to disallow unreasonable behaviors.

#### Current Basic Service Element 5: 800 and 8YY Toll-Free Services

The fifth basic service element is to provide customers with access to 800 or 800-like (8YY) toll-free services without incurring per-call or per-minute toll charges. 8YY calls provide customers with important and essential social, health care, and financial services, as well as recreational options. Many social services, government agencies, and nonprofits still use 8YY numbers for free access to help lines, particularly for at-risk communities. Not everyone has unlimited mobile plans or reliable broadband connections. Basic service requirements for toll-free 8YY services guarantee access to vital services for customers in rural areas or those with limited financial resources. Access to 800 or 8YY toll-free services remains relevant and necessary to ensure universal service. CD staff recommend retaining this as an element of Modernized Essential Service.

In addition to the existing requirements related to 800 and 8YY numbers, CD Staff agree with commenters<sup>153</sup> who argue that this requirement should be expanded to encompass free access to all public services offered through 3-digit numbers, such as 211 and 988.<sup>154</sup> Customers in counties where 211 access is available receive information and obtain referrals to physical and mental resources; housing, utility, food, and employment assistance; suicide and crisis interventions; and disaster preparedness, response, and recovery during declared emergencies. There is no evidence that providing such access would create any significant costs for providers. Access to these services is necessary for participation in modern society. The reason these services exist in a 3-digit dialing format is to encourage all members of the public to access the services with maximum ease. Excluding certain customers from freely accessing these services by charging per-minute fees or similar practices would imperil universal service by creating barriers to customers accessing critical public services. Modernized Essential Services should include free access to all 3-digit public service numbers in addition to 8YY toll-free numbers.

#### Current Basic Service Element 6: California Relay Service

The Commission in D.12-12-036 retained the sixth basic service element, Telephone Relay Service, that was originally defined in Decision 96-10-066. State law requires the

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<sup>153</sup> Opening Comments of TURN/CWA on R.24-06-012 April Workshops, June 13, 2025, p. 13.

<sup>154</sup> The 988 surcharge was established under California Assembly Bill 988, effective January 1, 2023.

Commission to implement a program to provide a dual-party relay system with reasonable access to telephone subscribers who are deaf or hard of hearing.<sup>155</sup> The California Connect program, also known as the Deaf and Disabled Telecommunications Program (DDTP), offers five relay services<sup>156</sup>, including the California Relay Service (CRS) that connects trained operators with people who are deaf, hard of hearing, or speech-disabled, where operators relay conversations back and forth over the telephone. As telephone companies transition away from traditional landlines this service element should be expanded to include access to Internet Protocol (IP) enabled relay services. IP-based relay services are an effective alternative means of accessing relay communications services that do not depend on specialized equipment and only require access to the internet via a computer, smartphone, tablet, or other internet-enabled device.<sup>157</sup> Internet Protocol Relay Service (IP Relay) functions like traditional relay services by allowing users to communicate by text, and Video Relay Service (VRS)<sup>158</sup> allows persons with hearing or speech disabilities who use American Sign Language make voice calls with help from trained communications assistants. Users must register with an IP Relay provider to receive a ten-digit number to make and receive calls and to enable location information to help 911 operators route calls to the nearest emergency services providers.<sup>159</sup>

CRS is a vital service that was used for 297,805 calls in Fiscal Year 2023-2024.<sup>160</sup> Multiple parties in this proceeding, including the Small LECs,<sup>161</sup> TDS Companies,<sup>162</sup> Cal Advocates,<sup>163</sup> and the Joint Commenters,<sup>164</sup> agree that this should remain as an essential component of Modernized Essential Service. Because CRS is critical to advancing public safety and ensuring Californians with hearing, speaking, mobility, or cognitive disabilities have access to cost-free communication tools, CD Staff recommend retaining this as an element of Modernized Essential Service. Moreover, as AT&T details in length in their Comments on the August 2025 Workshop, much of the equipment offered through California Connect is

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<sup>155</sup> Public Utilities Code Section 2881(b)

<sup>156</sup> California Connect relay services include California Relay Service (CRS); Traditional Relay Service (TRS); Speech-to-Speech (STS) Relay Service; Visually Assisted Speech-to-Speech (VA STS); and Captioned Telephone Service (CapTel).

<sup>157</sup> FCC. "Internet Protocol Relay Service (IP Relay)." Accessed October 29, 2025. <https://www.fcc.gov/ip-relay>

<sup>158</sup> FCC. "Video Relay Service (VRS)." Accessed October 31, 2025. <https://www.fcc.gov/vrs>

<sup>159</sup> 47 CFR §64.611 (2025).

<sup>160</sup> California Connect Annual Report 2023-2024, March 1, 2025, pg. 7.

<sup>161</sup> Opening Comments of Independent Small LECs on R.24-06-012 to consider changes to the Commission's COLR rules, September 30, 2024, pg. 6.

<sup>162</sup> Opening Comments of TDS Companies on R.24-06-012 to consider changes to the Commission's COLR rules, September 30, 2024, pg. 9.

<sup>163</sup> Opening Comments of Public Advocates on R.24-06-012 April Workshops, June 13, 2025, pg. 7.

<sup>164</sup> Opening Comments of TURN/CforAT/CWA on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 23.

either IP compatible or can be configured to be compatible with additional applications or equipment.<sup>165</sup>

#### Current Basic Service Element 7: Customer Service Information

The Commission in D. 96-10-066 and D. 12-12-038 included requirements for COLRs to ensure free access to customer service for information about LifeLine, including service activation, service termination, service repair, and bill inquiries. As observed above, LifeLine remains a critical element of essential service and should continue to be required as part of Modernized Essential Service. For all the same reasons LifeLine is critical to advancing public safety and ensuring customers can participate in modern society, it is vital that COLRs provide customer service information in an accessible and free manner to enable eligible customers to subscribe to LifeLine. There is no evidence presented by any party that these requirements create costs that outweigh the obvious public benefits of ensuring eligible customers receive access to affordable, essential services. Therefore, CD Staff recommend retaining this requirement as an element of Modernized Essential Service.

#### Basic Service Element 8: One-Time Free Blocking and Billing Adjustments

The eighth basic service element defined in D.12-12-038 is aimed at blocking calls to 900/976 information numbers which were introduced in the late 1980s and early 1990s. It provides for one-time free blocking for information services, and one-time billing adjustments for charges incurred inadvertently, mistakenly, or without authorization.<sup>166</sup> Unscrupulous marketing practices resulted in unauthorized fees with no clear way to dispute the charges. Widespread use of broadband service, however, has led virtually all major U.S. carriers to discontinue most third-party billing options.<sup>167</sup> The growing demand for digital purchases funneled through app stores, credit/debit cards and carrier-branded wallets has reduced the need for third-party billing by communications companies.<sup>168</sup> This element is no longer necessary and should be removed since the specific market practices

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<sup>165</sup> See Pacific Bell Telephone Company D/B/A AT&T California's (U1001C) Opening Comments on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at August Workshop, 11/21/25, Attachment A.

<sup>166</sup> D.12-12-038, Section 4, Revised Basic Service Requirements, December 20, 2012, pg. 18.

<sup>167</sup> FCC, Protecting Consumers From Unauthorized Carrier Changes and Related Unauthorized Charges: [Notice of Proposed Rulemaking, FCC 25-41A1, WC Docket No. 22-377, Section D.28 adopted July 24, 2025.](#)

<sup>168</sup> McKinsey & Company, *The State of Consumer Digital Payments in 2024* (New York: McKinsey & Company, 2024), <https://www.mckinsey.com/capabilities/financial-services/our-insights/the-state-of-consumer-digital-payments-in-2024>.

that led the Commission to adopt this protection are no longer present, and modern billing practices have more robust, built-in safeguards,<sup>169</sup>

Evidence suggests requests to utilize this element are extremely rare and not widely used by customers.<sup>170</sup> Accordingly, this requirement creates costs in the form of competitive disparities between COLRs and other providers that do not appear to generate significant benefits for customers<sup>171</sup> and are unnecessary due to other existing consumer protection requirements.<sup>172</sup> Therefore, staff recommend that this element not be included in the elements of Modernized Essential Service.

#### Current Basic Service Element 9: Operator Services

The ninth basic service element defined in D.12-12-038 requires COLR providers to offer free access to operator services. A substantial majority of customers now use internet search engines and apps to look up phone numbers or information on an on-demand basis and no longer require operator assistance. David McGarty, the president of US Directory Assistance, stated in early 2023 that calls to operators have decreased by 90% since 1996 with no signs of a change in trends.<sup>173</sup> Major carriers, like AT&T, have already phased out operator services for VoIP and mobile customers nationally, and other providers have shifted to offering these services on a fee basis given the diminishingly small number of requests received for these services.<sup>174</sup> Given the year-over-year decline in calls for operator assistance, the industry-wide national trend toward eliminating operator services generally, and the demonstrated customer preference for looking up information online, operator services are no longer necessary and should be removed.

The Rural County Representatives of California (RCRC) state that the COLR Basic Service definition should remove antiquated requirements such as operator services to facilitate competitive replacements.<sup>175</sup> TDS Companies state there is no reason to require operator service and removing this element will reduce the competitive disparity between COLRs

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<sup>169</sup> 47 C.F.R. § 64.2401 (2023), <https://www.ecfr.gov/current/title-47/chapter-I/subchapter-B/part-64/subpart-Y/section-64.2401>.

<sup>170</sup> Opening Comments of The Independent Small LECs on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 9.

<sup>171</sup> Opening Comments of TDS Companies on R.24-06-012 to consider changes to the Commission's COLR rules, September 30, 2024, pg. 1.

<sup>172</sup> Opening Comments of The Independent Small LECs on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 9.

<sup>173</sup> CNN, January 9, 2023. <https://www.cnn.com/2023/01/07/business/telephone-operators-411-att-ctpr/index.html>

<sup>174</sup> Ibid.

<sup>175</sup> Reply Comments of The Rural County Representatives of California on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, June 20, 2024, pg. 5.

and competitors.<sup>176</sup> The Independent Small LECs comment that operator services are used very infrequently with most issues are now handled by online resources.<sup>177</sup> AT&T opines that revising the definition of Basic Service is not needed, including operator services, due to the technological advancements in broadband voice services.<sup>178</sup> Frontier argues that operator services, unlike other elements of basic service that should be retained in modernized essential service, are not necessary or widely utilized.<sup>179</sup>

Public Advocates state that essential features like operator services support the health, safety, and daily needs of consumers and must remain.<sup>180</sup> TURN/CWA/CforAT state that operator services are still necessary for individuals with mobility disabilities and removal of this requirement would result in denial of service.<sup>181</sup> CD Staff disagrees with these claims because IP-enabled relay services can connect people with disabilities to communications assistants to facilitate two-way communication in a similar manner to traditional operator or relay services.<sup>182</sup> IP Relay offers improved accessibility and flexibility via web pages, applications, and devices that are compatible with assistive technologies such as switch or mouth interfaces, adaptive keyboards, screen readers, and magnification or eye-tracking software to effectively communicate and interact with others.<sup>183</sup>

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<sup>176</sup> Opening Comments of TDS Companies on R.24-06-012 to consider changes to the Commission's COLR rules, September 30, 2024, pg. 9

<sup>177</sup> Opening Comments of The Independent Small LECs on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 9

<sup>178</sup> Reply Comments of AT&T on R.24-06-012 on April Workshops, June 20, 2025, pg. 12-13.

<sup>179</sup> Opening Comments of Frontier on R.24-06-012 to consider changes to the Commission's COLR rules, September 30, 2024, pg. 5.

<sup>180</sup> Opening Comments of The Public Advocates Office on R.24-06-012 April 2025 Workshops, June 13, pg. 6.

<sup>181</sup> Opening Comments of TURN/CforAT/CWA on R.24-06-012 to consider changes to the Commission's Carrier of Last Resort rules, October 30, 2024, pg. 26-27.

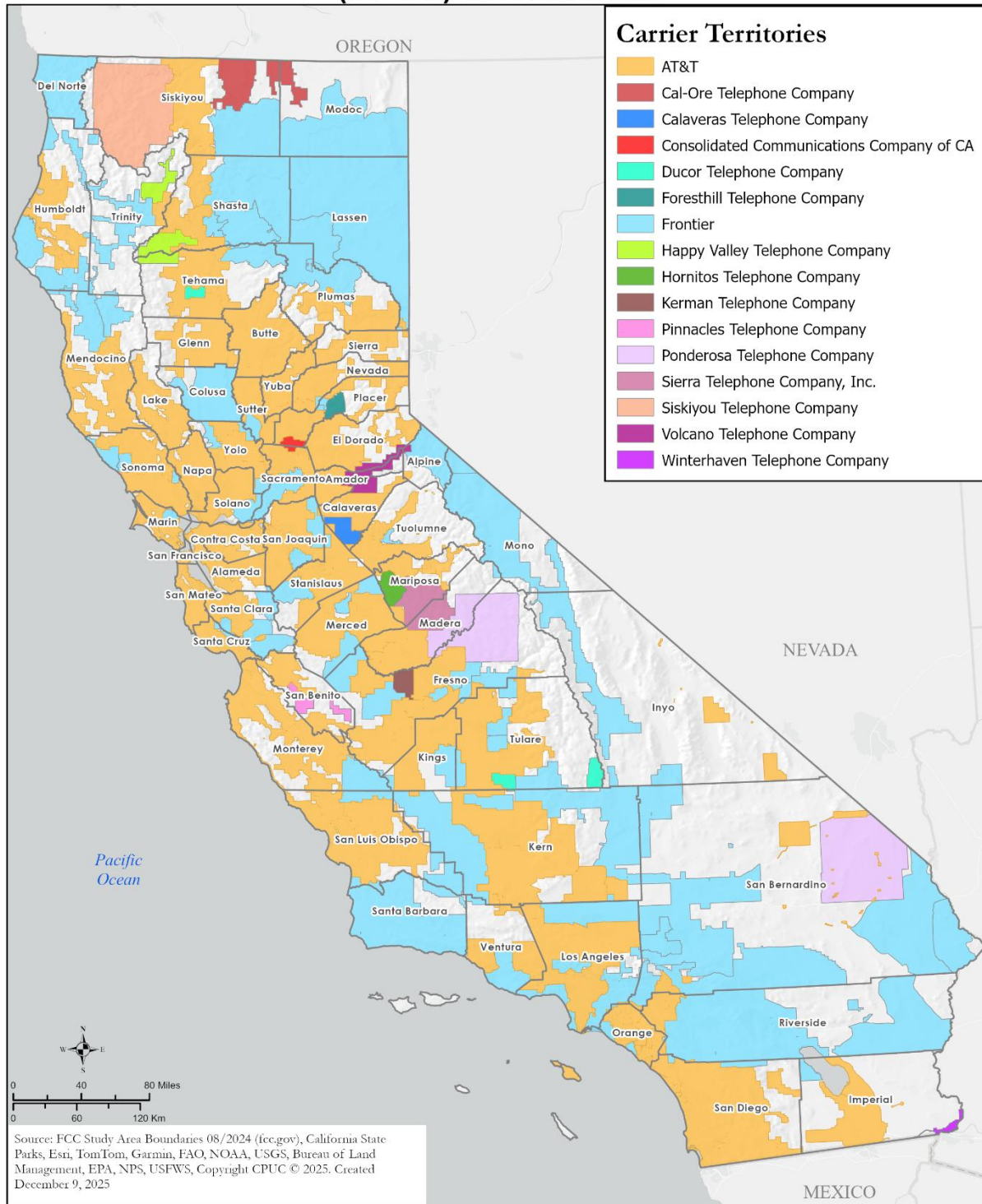
<sup>182</sup> FCC. "IP-Relay Service." Accessed October 27, 2025. <https://www.fcc.gov/consumers/guides/ip-relay-service>.

<sup>183</sup> Enabling Devices. "Different Types of Adaptive Switches for Individuals with Disabilities". Accessed October 27, 2025. <https://enablingdevices.com/blog/different-types-of-adaptive-switches-for-individuals-with-disabilities/>.

## Attachment B: Map of COLRs in California



### Incumbent Local Exchange Carriers (ILECs) in California



## **Attachment C: Application Phase Requirements**

The COLR must provide sufficient documentation for the Commission to validate that it has met all its pre-application requirements.

### **Proof that COLR has met all Pre-Application Phase Requirements**

#### **Documentation that the COLR has met the requirement to consult with all affected governments and hold a sufficient number of meaningful public information sessions**

The COLR must provide written information that includes, but is not limited to, details of when meetings were held and with whom, as well as summaries of the topics discussed. The COLR should also submit copies of all informational materials that were shared with governments and the public at the meetings.

If the COLR was unable to conduct a meeting with an affected government, in its application it shall identify all attempts to contact and facilitate a meeting with any non-responsive government, steps taken to ensure the success of the contact attempts and plans to continue attempting to conduct meetings after filing the application.

#### **Documentation of Compliance with General Order 133-D or its successor**

The Pre-Application rules require that prior to submitting an application for relinquishment of its COLR obligations, a COLR must have been in compliance with all applicable service quality metrics set forth in GO 133-D, or any successor to that GO, for a minimum of 24 months preceding the filing date of the application or have a CPUC-approved Corrective Action Plan with which the company is in full compliance. Payment of fines for non-compliance that occurred within the last 24 months does not satisfy this requirement. Additionally, the company must have completed payment of any fines and completed all approved reinvestment projects resulting from service quality violations that occurred more than 24 months before filing.

To demonstrate compliance with this requirement, the COLR must submit complete copies of its GO 133 quarterly reports for the 24 months immediately preceding the filing date of the application.

If the COLR is fulfilling this requirement through an approved Corrective Action Plan, they must demonstrate that they are in compliance with all included obligations, including all construction and infrastructure deployment commitments. This includes meeting the schedule included in the approved timeline and meeting all identified service quality performance benchmarks. COLRs that have failed to make substantial, documented progress towards meeting service quality standards for six or more months during the



assessment phase of the Corrective Action Plan will not be eligible to apply for COLR withdrawal.<sup>184</sup>

To demonstrate compliance with the Corrective Action Plan, the COLR must submit the following documentation:

1. The approved Corrective Action Plan
2. Copies of all quarterly reports required by the Corrective Action Plan
3. Narrative explanation of how the COLR has met all obligations and milestones to date as well as how they plan to meet all remaining requirements.
4. For construction and infrastructure deployment commitments, the COLR must submit evidence that the work has been completed such as work orders, invoices, and photos,

Additionally, for any periods where the COLR did not meet standards, they must submit a copy of the AL they previously submitted to the Commission with the calculation of the fines and evidence that the AL was accepted. For violations that were resolved via a resolution, the COLR must also include a copy of the resolution. Lastly, the COLR must submit evidence that any penalty has been resolved. If the penalty was a fine, the COLR must submit proof of payment. If a resolution approved a reinvestment plan in lieu of a fine, the COLR must submit evidence that all construction required to complete the reinvestment project has been completed and the new plant is in service.

### **Documentation of Compliance with all Surcharge and User Fee Reporting and Compliance Filings**

To apply to relinquish its COLR obligation, the company must be current on surcharge and user fee reporting and remittance. This means that the company must pay all surcharges and user fees owed for all reporting periods for which the deadline has passed. This includes completing payment of any interest and/or penalties or citations for past non-compliance.

As part of the application, the COLR must submit a printout/screenshot from their TUFFS account that demonstrates that they have no outstanding balance for surcharges or User Fees for any period since April 2023. COLRs will not be required to submit evidence for periods prior to April 2023 with the application, but they will still be responsible for

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<sup>184</sup> The “assessment phase” applies to Corrective Action Plans adopted under General Order GO-133 E (effective January 1, 2027).



ensuring that they have no outstanding balance for any period, including those before April 2023. If the Commission finds that the COLR owes surcharges or user fees for any period, including those before April 2023, the application may be denied.

Additionally, if the COLR has received any citations since April 2023, they must include a copy of the citation and evidence that they have paid all associated penalties. While the COLR will not be required to submit proof of payment for citations issued prior to April 2023 as part of the initial applications, failure to pay fines for any citation, including those prior to April 2023, will be grounds for denial of the Application.

**Documentation that the COLR is in compliance with all applicable Commission reporting requirements.**

The company must also be compliant with all compliance filings including, but not limited to:

1. Annual Reports (Annual Report on Operations and Financials and Annual Affiliate Transaction Report)
2. Any required tariff filings
3. Performance bond

The COLR must provide evidence that they have submitted each of the required filings to the Commission for the 24 months prior to the Application. Additionally, they must provide evidence that the required performance bond is still valid as of the date the application is filed.

**Documentation that the COLR is in compliance with all applicable network resiliency requirements.**

The COLR must demonstrate that they are in compliance with all applicable network resiliency requirements, including those in D.21-02-029, for a minimum of 24 months prior to the Application filing date.

Therefore, as part of the application, the COLR must include the following:

- Copies of the annual Communications Resiliency Plans that were submitted to the Commission and evidence that the Advice Letter submission was accepted
- Copies of their annual emergency operations plans (pursuant to Section 5.9.2 of D.21-09-029) and evidence that those plans were submitted to the Commission on time

**Data on Affected Customers**

As part of its application, the COLR should provide data on all customers who could be impacted by a withdrawal of the COLR from providing essential communication services or retiring relevant facilities in a given area. At minimum, this should include the total customers in the impacted area, the number of POTS customers, the number of customers with burglar alarms and fire alarms served by copper wiring, how many calls were completed utilizing California Relay Service or 911 using POTS, how many California Connect customers reside within the area, how many highway callboxes are served by the COLR in the impacted area and the type of technology the callbox uses, such as copper wiring in the area. Staff recommend continuing to develop a comprehensive list of data to be reported as part of a withdrawal application based on feedback from customers of legacy services and providers of ancillary services.

**Evidence of Significant Consumer Choice**

As part of its application, the COLR should include evidence demonstrating that all areas for which it is requesting relinquishment of its obligation to serve meet the definition of “Significant Consumer Choice.” At minimum, this should include identifying all Qualifying Providers, the basis upon which those providers are identified as Qualifying Providers, and a detailed description of the areas served by these providers. Relevant evidence here may include, but is not limited to, the use of another provider’s website to determine whether service is available at a given location and the suite of services offered by the provider, the FCC National Broadband Map, the California Interactive Broadband Map, or direct statements by the Qualifying Provider demonstrating availability of Modern Essential Service equivalent within part or all of the area. Any mapping resources should be provided to Commission staff as a Shapefile or other format directed by staff to enable rigorous review of the underlying data in the application.

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. The sample size will depend on the volume and scope of the application as well as the population density. Mobile coverage is typically represented for broadband on maps, so testing will be necessary to verify voice coverage and usability. “Usability” means a reliable, sustained connection that supports voice communication rather than a “bursty” internet connection that quickly sends and receives data. Staff seek

input on the number of tests<sup>185</sup> and the testing method<sup>186</sup> needed to validate indoor mobile voice coverage for a specific area. For example, every impacted Census Block in an application should have a certain number of mobile tests if the application is relying on mobile coverage as one of the criteria for withdrawal.

When identifying all Qualifying Providers, the COLR must disclose if those providers resell the COLR's service or rely in any way on the COLR's network or facilities.

The COLR is responsible for providing sufficient data so that the Commission can verify the existence of Significant Consumer Choice in the area.

The application shall identify if the COLR intends to cease offering wireline voice service (using any technology) in any areas affected by the application within 5 years of approval of the application.

The application shall identify all resellers that offer voice service using any part of the COLR's wireline network or facilities in the withdrawal region. This must include all resellers, regardless of the type of service they offer to the end-user.

The application shall include a proposed customer notification plan. This shall include a detailed description of the methods and timing by which it proposes to make all residents and small business customers within the area aware of the pending application and, if approved, the relinquishment of the provider's obligation to serve the area. While it is recognized that relinquishment of the COLR obligation does not necessarily imply discontinuation of Basic Service, the COLR should use the Commission's CLEC Mass Migration Process as a model for informing customers of potential changes in the obligation to serve them. The COLR shall also include sample text of notices to be provided to customers to make them aware of the potential changes. Such text shall include an explicit notification that the end of the COLR obligation may result in discontinuation of Basic Service in the future. At minimum, the COLR's customer notification plan shall include specific language notifying customers of their opportunities to participate in the

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<sup>185</sup> The sample size should address how to spread tests across all Census Blocks and households in the withdrawal area such that all households are represented, and the number of tests allocated reflects population (e.g. large rural blocks with smaller populations should still be allocated enough tests). The sample should be spread proportionally across urban, rural small, rural large, and Tribal Census Blocks.

<sup>186</sup> The testing method should address how to estimate indoor voice quality without having to enter private homes to conduct testing. This might be achieved by using outdoor measurements collected from CalSPEED (latency, jitter, and packet loss), filtering for Reference Signal Received Power, and calculating a Mean Opinion Score (MOS). Example: IF (Effective latency<160 OR RSRP<XX), where XX is set based on an appropriate value for LTE, or the 5G-specific frequency bands in use. Test results with MOS greater than 4 would qualify as "acceptable."

forthcoming proceeding, such as at Public Participation Hearings or by filing formal comments.

### **Customer Input Opportunity**

The public should have an opportunity to identify and report errors in the data utilized in a COLR's application for withdrawal. To provide an additional mechanism to ensure that data used to demonstrate the presence of Significant Consumer Choice is entirely accurate, the application should include a specific mechanism allowing customers and interested stakeholders or members of the public to challenge such a determination. This Customer Input Process should be broadly publicized to ensure maximum level of public awareness and participation from any impacted individuals. At minimum, the process should include a public website<sup>187</sup> allowing customers to identify specific locations for which they believe the submitted data is inaccurate.

Customers disputing the availability of one or more Qualifying Providers' offerings at a specific location (or multiple locations in the case of a bulk challenge) may provide evidence including, but not limited to, information obtained from a provider's public website (such as a search for services available at a given address or the list of service offerings for a given provider), engineering data on the provider's network architecture, alternative mapping data, or testing of mobile or fixed service availability.

### **Customer Notification Plan**

As part of its application, the COLR should provide a detailed customer notification plan demonstrating how it will notify all affected customers of its application, provide opportunities for customers to engage with the application and share information on alternative providers offering Modernized Essential Services. This plan should also address how the COLR intends to support customers in the subsequent Transition Process if the Commission approves its application with specific considerations for customer support c in ESJ communities.

At minimum, the Customer Notification Plan should include a commitment that, upon filing the application, the COLR shall provide written notice to all customers in the affected application area, including customers currently subscribed to basic service or have subscribed to basic service at any point in the five years preceding the application's filing date. This notice should inform customers of the application's filing and opportunities to

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<sup>187</sup> This information should either be on the same website that the COLR created to comply with the Pre-Application requirement or should be accessible from the Pre-Application website via a link.

engage in the proceeding. This written notice should include contact information for the Commission's Public Advisor's Office.<sup>188</sup> The COLR should also make available on its website an address-searchable map of the affected area to ensure that customers or interested members of the public may determine whether specific locations are included within the application area, and it should provide a link to this map in any written notification provided to customers about the pending application.

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<sup>188</sup> <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office>

## Attachment D: California Consumer Choice

Data on communications service provider broadband availability is subject to many limitations, including overstatement of indoor coverage or speeds, incomplete data on service plan offerings, and visual misrepresentation based on geographic and man-made structure realities on the ground. Initial analysis of provider data by staff suggests there are approximately 1,425,344 housing units with access to at least two Qualified Providers excluding the COLR.

The data also suggests that many Californians have limited consumer choice that may include no consumer choice of providers for essential communication services. These households often are in lower-income or rural parts of state where there is little or no competition. For those areas, COLR obligations continue to play a crucial role in ensuring every Californian has access to essential communications services. Without such obligations, communications service providers may limit access to service based solely on financial considerations.

### Summary:

Consumer Choice is estimated both throughout the State and according to each COLR's territory using the most recent (at time of analysis) FCC broadband availability. The FCC data is used to estimate how many Broadband Serviceable Locations (BSLs) have Significant and Limited Consumer Choice:

1. Significant Consumer Choice – 2+ Qualified Providers (excluding the COLR, COLR is present at any broadband speed) -OR- 1 Qualified Provider (excluding the COLR, COLR is present at any broadband speed) plus ubiquitous, reliable coverage by 2 facilities-based mobile providers (subject to proof of service).

The above must include at least one wireless and one wireline LifeLine provider, excluding the COLR.

2. Limited Consumer Choice – Only the COLR offers wireline service (COLR is present at any broadband speed) -OR- only the COLR (COLR is present below speeds of 100/20 Mbps) and one other Qualified Provider plus fewer than 2 facilities-based mobile providers offer ubiquitous, reliable service (subject to proof of service).

A Qualified Provider of fixed wireline service offers both voice service and broadband speeds of minimum 100/20 Megabytes Per Second (Mbps). Additional data is needed for determining if, and where, a wireline broadband provider offers voice or VOIP services. The analysis found that of the total 16,330,908 units (all categories) in the FCC data for

California, 15,452,993 units (94.63%) receive at least 100/20 Mbps speeds through wireline technology by one or more providers.

**Significant Choice:**

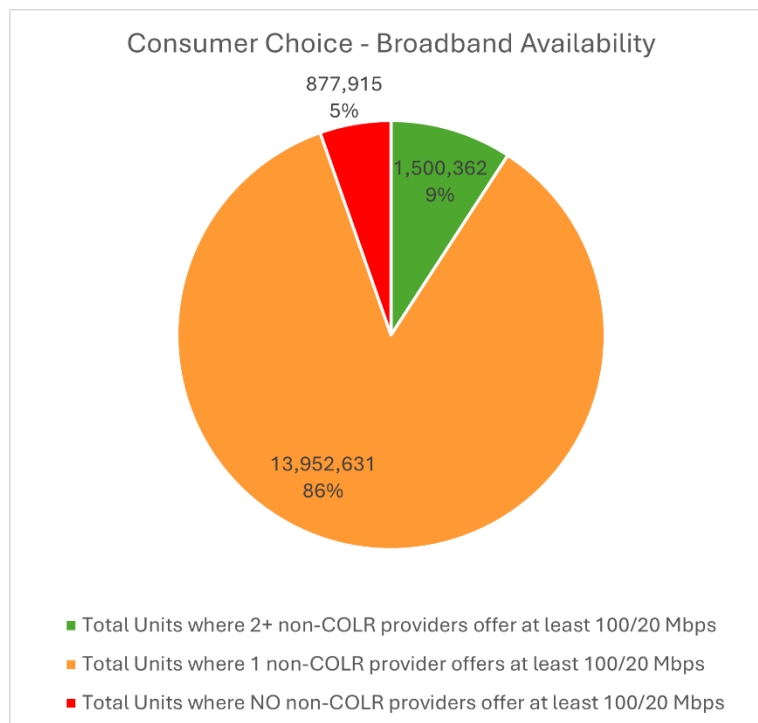
There are 1,500,362 units (9.19%) where 2+ non-COLR providers offer broadband speeds of at least 100/20 through wireline technology and a COLR offers broadband of any speed.

There are 13,952,631 units (85.44%) where 1 non-COLR provider offers broadband speeds of at least 100/20 Mbps through wireline technology and a COLR offers broadband of any speed. Of these, there are 5,416,677 (33.17%) units where the present COLR offers broadband speeds of at least 100/20 Mbps also.

**Limited Choice:**

There are 877,915 units (5.38%) where only the COLR offers wireline service of any speed. Additionally, there are 8,535,954 units (52.27%) where one non-COLR Qualified Provider offers broadband of at least 100/20 Mbps and where the COLR is present but offering broadband at speeds below 100/20 Mbps.

The following chart shows the level of Consumer Choice according to non-COLR broadband availability – excluding LifeLine status:



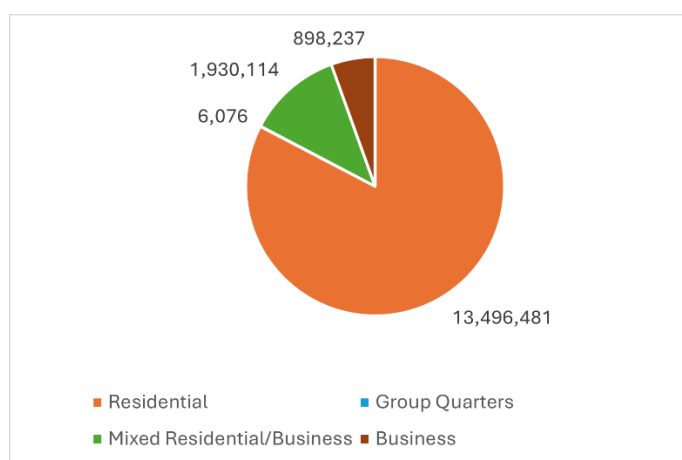
If the FCC broadband availability data only is considered, this leaves an estimated 1,500,362 units (~9% of statewide total) with Significant Choice and an additional

13,952,631 units (85.44%) subject to proof of service for mobile coverage. These numbers are estimates subject to proof for the availability of ‘ubiquitous, reliable coverage by 2 facilities-based mobile providers’ as required in the Significant Consumer Choice categorization – which could change the overall count of units expected to be eligible for relinquishment significantly.

### Data Sources:

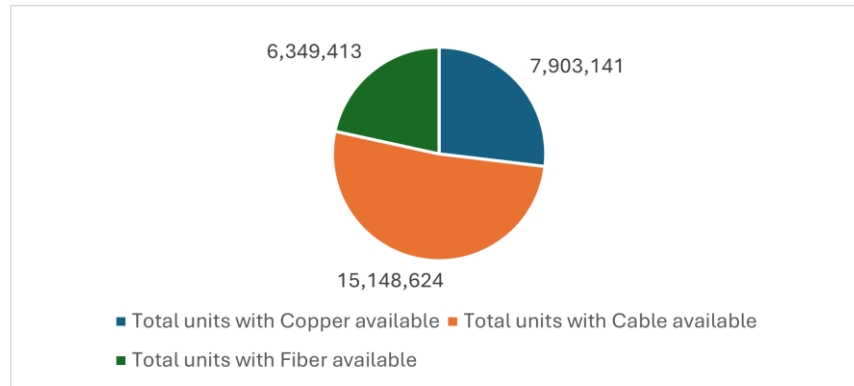
#### *FCC Broadband Availability*

The FCC broadband availability is a location-level fabric comprised of georeferenced locations (BSLs) downloadable from: [Home | FCC National Broadband Map](#). The BSLs are any location where a broadband provider can show, according to their own data as validated by the FCC, that they can deliver fixed wireline or wireless service, within 10 days of receiving a service request. In addition to technology and speed information, each BSL carries information about building type, land use coding, associated provider names, and unit count at the BSL. Each BSL can represent 1 or more units of a single code, depending on if the BSL represents a business, apartment building, single-family dwelling, or other. The sum of all building-residential code types represents the unit count for the state, the majority of which are ‘housing units’ (Residential and Mixed Residential/Business Use comprise 94% of the total units), and the remaining of which are Business units (5.5%) and Group Quarters (0.04%). The total count of housing units according to FCC data differs slightly from U.S. Census 2024 estimated count of Housing Units. The following shows the counts and relative share of each building type:

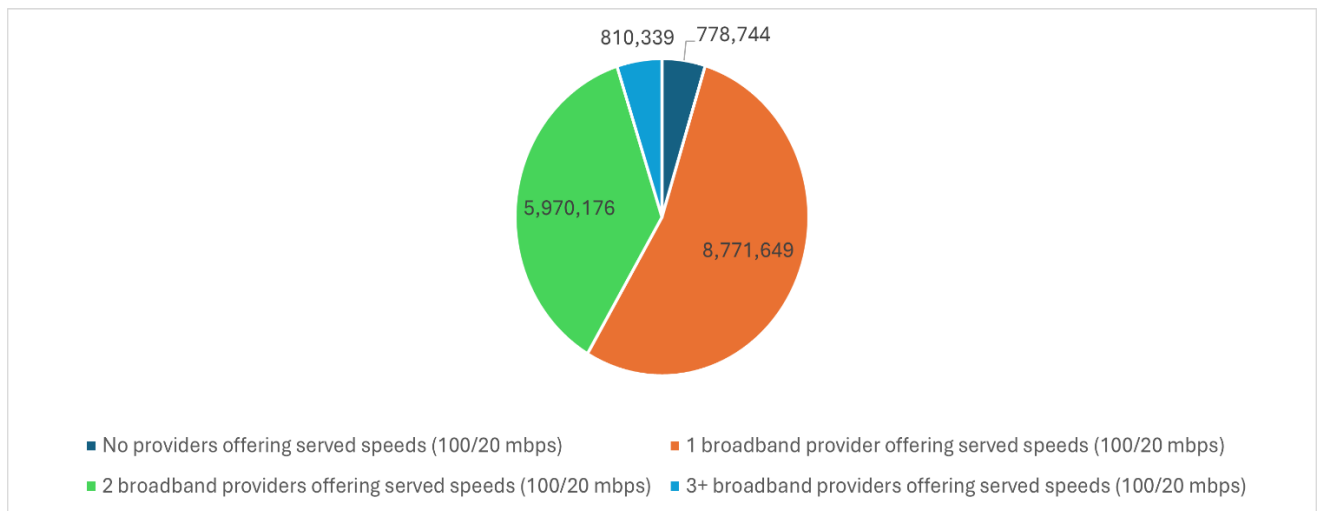


Only wireline technologies (Copper, Cable, Fiber) are considered as valid for determining if a provider is qualified.





The number of providers per a unit is determined by the count of unique providers offering wireline technology at served speeds of at least 100 Mbps download and 20 Mbps upload.



### *COLR Territories*

COLR territories are sourced from the FCC ([Study Area Boundary Data | Federal Communications Commission](#)). These boundaries were last updated in September 2024.

### *LifeLine Program Availability*

The availability of Wireline and Wireless LifeLine providers is determined by Zip Code, according to data from the California LifeLine program website ([Welcome to California LifeLine - California LifeLine](#)).

### **Consumer Choice Estimation Method:**

#### FCC Broadband Availability

- a. Download FCC broadband availability tables for each wireline technology for California as of December 2024.
- b. Merge availability tables into one table to use for identifying BSLs with Significant Choice, Limited Choice, and No Choice (19,066,770 total records representing all BSLs with Copper, Cable, and Fiber available)
- c. Join to FCC Fabric from December 2024 to georeferenced availability and identify BSLs without any wireline service (10,225,583 unique BSLs for CA representing 16,330,908 total units)
- d. Calculate how many unique broadband providers serve each BSL at any speed and how many unique broadband providers offer served speeds.
- e. Calculate how many units are represented by 0,1,2, and 3+ providers of each category, including COLR affiliates (any speed and served speeds only):

Unique Providers Available	Total Units	Percentage (of Statewide total)
0	563,146	3.45
1	3,898,318	23.87
2	10,539,515	64.54
3+	1,329,929	8.14

Unique Providers offering 100/20 Mbps down/up speeds	Total Units	Percentage (of Statewide total)
0	778,744	4.77
1	8,771,649	53.71
2	5,970,176	36.56
3+	810,339	4.96

COLR Coverage

- a. Spatially join COLR territories (using FCC ILEC Study Area Boundaries) to fabric
- b. Calculate how many BSLs and units are covered by each COLR (any BSL within a COLR territory boundary is assumed to be covered by that COLR for basic service).
- c. Calculate where a COLR-affiliated broadband company offers broadband at any speed and at served speeds (100/20 Mbps) using a dictionary that pairs COLR Holding Companies with known affiliated broadband companies, according to their names as reported to the FCC Broadband Data Collection:

<b>COLR Holding Company</b>	<b>Affiliate Broadband Company name according to FCC Availability</b>
Frontier Communications Corporation	Frontier
Calaveras Communications Company	CALTEL Connections
LICT Corporation	Cal-Ore Communications, Inc.
Varcomm Holdings, Inc.	Ducor Telephone Company, Varcomm Broadband
Sebastian Enterprises	Foresthill Telephone, Kerman Telephone, AUDEAMUS
Ponderosa Communications, Inc.	Ponderosa Edge, The Ponderosa Internet
Consolidated Communications, Inc.	Consolidated Communications, Fidium Fiber
Sierra Tel Communications Group	Sierra Telephone Company, Inc.
Siskiyou Communications, Inc.	The Siskiyou Telephone Co
Volcano Communications Company	Volcano Vision
Bryan Family Inc.	Pinnacles Telephone Co.

AT&T Inc.	AT&T
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- d. Re-calculate unique number of broadband providers serving each BSL, removing COLR broadband providers.

#### California LifeLine Coverage

- a. Using CA LifeLine provider coverage by Zip code table, as provided by the CPUC CA LifeLine team, identify which BSLs receive service from each Lifeline provider by joining table to BSL fabric based on Zip code field.
- b. Calculate served unit count based on whether BSL receives wireless or wireline coverage from LifeLine providers based on lists of Wireline and Wireless providers – COLR removed.

#### **Non-COLR Wireline Providers:** 'Charter', and 'Cox.'

**Wireless Providers:** 'AirVoice', 'AmeriMex', 'Assurance Wireless', 'Boomerang', 'ConnectTo', 'EnhancedComm', 'Frontier SWWC', 'Global Connections', 'i-wireless', 'SBC', 'Tag Mobile', 'Telrite', 'Telscape', 'Tracfone', 'American Broadband', 'ExcessTelecom', 'Infiniti', 'Red Pocket', 'DISH Wireless', 'SequoiaWireless'

#### Consumer Choice

- a. Consumer Choice using FCC Broadband only:
  - i. Calculate where FCC Availability shows there are at least 2 non-COLR broadband providers offering at least 100/20 Mbps speeds using wireline technology AND a COLR affiliate offers any broadband speeds using wireline technology.
  - ii. Calculate where FCC Availability shows there is 1 non-COLR broadband provider offering at least 100/20 Mbps using wireline technology AND a COLR affiliate offers any broadband speeds using wireline technology.
  - iii. Calculate where FCC availability shows there is 1 non-COLR broadband provider offering at least 100/20 Mbps using wireline technology AND a COLR affiliate offers broadband speeds of at least 100/20 Mbps using wireline technology.
  - ii. Calculate where FCC Availability shows only a COLR affiliate offers broadband at any speed, or where only a COLR affiliate offers broadband at speeds below 100/20 Mbps AND one non-COLR broadband provider offers served speeds using wireline technology.
- b. Consumer Choice using FCC Broadband and LifeLine availability:

Calculate sum of units according to criteria above with the addition of where there is both Wireless and Wireline LifeLine coverage.

**(END ATTACHMENT A)**