

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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

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(Filed June 20, 2024)

**PACIFIC BELL TELEPHONE COMPANY D/B/A
AT&T CALIFORNIA'S (U 1001 C) AND THE PUBLIC
ADVOCATES OFFICE'S JOINT PROPOSED
RESPONSE TO ADMINISTRATIVE LAW JUDGE'S
RULING ON COMMENTS TO JOINT PROPOSAL**

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Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C) (“AT&T California”) and the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”) respectfully submit this Joint Response to the Administrative Law Judge’s Ruling on Comments to Joint Proposal of AT&T California and Cal Advocates issued on March 25, 2026 (“Ruling”).

I. INTRODUCTION

For more than ten years, California policy makers have wrestled with reforming the Carrier of Last Resort (COLR) regulatory framework in a way that encourages network modernization and protects Californians. Over the course of a few months, AT&T California and Cal Advocates worked collaboratively to develop the Joint Proposal, which provides a focused, actionable plan addressing these concerns. The Joint Proposal represents a voluntary pathway for COLR relinquishment through a commitment for a COLR to deploy fiber and offer 1 Gbps service. As such, the Joint Proposal advances the twin goals of network modernization and consumer protection. At its core, the pathway outlined in the Joint Proposal would authorize a COLR to relinquish its COLR status in return for a binding commitment to deploy fiber to 20 percent of the total number of serviceable locations in a specified relinquishment area. Further, a COLR electing to relinquish its COLR status through this pathway would commit to participate in the LifeLine program for its broadband or broadband/voice service bundle offered to the newly deployed fiber serviceable locations for a specified period of time. And the COLR would agree to prioritize deployment in “Low Income Areas” and “Disadvantaged Communities.”

If adopted by the Commission, the Joint Proposal would be a pathway to provide enormous benefits to Californians by further modernizing California’s telecommunications networks and providing advanced communications technologies to communities across the state.

As directed by the Administrative Law Judge, AT&T California and Cal Advocates provide the following joint responses to the questions posed in the Ruling. Where responses are those solely of one party or the other, the responding party is identified.

II. RESPONSES TO SPECIFIC QUESTIONS

1. The Joint Proposal uses the term “eligible relief zone.”¹ Please define that term, including the size of the relief zone and number of locations expected to be in a relief zone.

The Joint Proposal defines a “Relief Area” as “an area where [at least] 80 percent of the serviceable locations have a 1 Gbps wired broadband service offer made by one or more wireline providers, including the COLR.”² As compared to the build commitment, the 80 percent eligibility criterion is a minimum percentage of serviceable locations with a 1 Gbps wired broadband service offer. Eligible Relief Areas could have as many as 100 percent of the serviceable locations with a 1 Gbps wired broadband service offer without affecting the build commitment made by the relinquishing COLR.

The Joint Proposal also explains that “locations where the COLR and other providers have been granted government funding to expand their fiber networks may be counted as locations possessing a 1 Gbps offer when those locations are connected.”³ Unlike the Staff Proposal, there is no geographical limitation to the Joint Proposal,⁴ but a Relief Area may not

¹ Throughout the Ruling, it describes the Joint Proposal as using the term “eligible relief zone.” However, that term does not appear in the Joint Proposal. AT&T California and Cal Advocates believe the Ruling is referring to the term “Relief Area.” As such, any question seeking clarification of the term “eligible relief zone” refers to the term “Relief Area” instead.

² AT&T Cal. & Cal Advocates’ Joint Proposal for Fiber Deployment Commitment for COLR Relief and Basic Service Discontinuance § 1(c) (filed Feb. 13, 2026) (“Joint Proposal”); Pac. Bell Tel. Co. d/b/a AT&T Cal.’s (U 1001 C) Reply Comments on Admin. L. Judge’s Ruling Issuing Staff Proposal for Comment 7 (filed Feb. 13, 2026) (“AT&T California Reply Comments to Staff Proposal”).

³ Joint Proposal § 1(c); AT&T California Reply Comments to Staff Proposal at 7–8.

⁴ The Staff Proposal would limit areas where a COLR could apply for relinquishment to geographically contiguous areas of no more than 10,500 square miles per application. Carrier of Last Resort and Network

exceed one million serviceable locations.⁵ Serviceable locations are the same as “broadband serviceable locations” on the FCC’s Broadband Serviceable Location Fabric map.⁶

2. The Joint Proposal requires that 20 percent of locations of an “eligible relief zone” will have the existing COLR commit to building out new fiber connections to the locations. Please explain how the remaining 80 percent of locations in the “eligible relief zone” will be treated.

As explained above, the 80 percent of locations within an eligible Relief Area with a 1 Gbps wired broadband service offer is merely a criterion for defining a Relief Area and is not otherwise related to the relinquishing COLR’s fiber build commitment. By definition, a Relief Area is “an area where 80 percent of the serviceable locations have a 1 Gbps wired broadband service offer made by one or more wireline providers, including the COLR.”⁷ Thus, potential Relief Areas are limited to areas in which broadband service is already broadly available to consumers. The Joint Proposal would allow an existing COLR to relinquish its COLR obligations in all locations throughout a Relief Area.

3. In total, how many housing units in California qualify as being in an “eligible relief zone?”

The Joint Proposal does not address housing units; rather, it uses the term “serviceable locations,” which is defined as “Broadband Serviceable Locations” on the FCC’s Broadband Serviceable Location Fabric map.⁸ A broadband serviceable location is “a business or residential location in the United States at which mass-market fixed broadband Internet access service is, or

Modernization Staff Report 28 (filed Dec. 15, 2025) (“Staff Proposal”). The Joint Proposal contains no comparable limitation.

⁵ AT&T California Reply Comments to Staff Proposal at 7.

⁶ Joint Proposal at n.1.

⁷ *Id.* § 1(c).

⁸ *Id.* § 1(c); *see also* AT&T California Reply Comments to Staff Proposal at 7.

can be, installed.”⁹ As the requested Relief Area size will likely vary in each Tier 2 application, so will the number of serviceable locations in the Relief Area and the COLR’s corresponding build commitment. AT&T California and Cal Advocates estimate that there are approximately 6.9 million serviceable locations that could qualify as being in Relief Areas in AT&T California’s service territory under the Joint Proposal. In the context of the Joint Proposal, over 1 million of those locations would qualify for fiber deployment.

Using the data available from the FCC’s Broadband Serviceable Location Fabric map, AT&T California and Cal Advocates estimate those 6.9 million serviceable locations contain approximately 11 million residential “units” that could qualify as being in Relief Areas in AT&T California’s service territory under the Joint Proposal.¹⁰ This means that the Joint Proposal would likely benefit even more residential units than the number of serviceable locations to which fiber will be deployed by the relinquishing COLR.

⁹ See *About the Fabric: What a Broadband Serviceable Location (BSL) Is and Is Not*, FCC Broadband Data Collection Help Center (July 31, 2025), <https://help.bdc.fcc.gov/hc/en-us/articles/16842264428059-About-the-Fabric-What-a-Broadband-Serviceable-Location-BSL-Is-and-Is-Not>.

¹⁰ This estimate was derived using CostQuest data, which reports that the “FCC Fabric unit count of residential units is consistent with US Census 2020 Housing Unit counts.” *About the Units in the Broadband Serviceable Location Fabric Data*, CQA, <https://www.costquest.com/resources/articles/about-the-units-in-broadband-serviceable-location-fabric-data/> (last visited Apr. 9, 2026). For the purpose of deriving this estimate, residential serviceable locations are defined as serviceable locations with a residential, mixed use, or group quarters building type in the FCC Broadband Serviceable Location Fabric data.

4. Do the 20 percent of locations where the COLR commits to deploying fiber include locations in California that the COLR has already started to build to, or to which the COLR already plans to build fiber? For example, in Resolution T-17880, AT&T is required to invest \$71 million to deploy fiber-optic infrastructure in Priority Investment Areas as part of service quality Corrective Action Plan. Will existing AT&T commitments count towards the Joint Proposal's 20 percent commitment or is the 20 percent fiber commitment above and beyond any current AT&T deployment plans and commitments?

Any completion of fiber deployment in the Relief Area after the approval of the advice letter would count towards the commitment. Existing commitments to deploy fiber in the future would count towards the COLR's commitment to deploy fiber to 20 percent of serviceable locations within a Relief Area if fiber is deployed to those locations after approval of the advice letter.

5. Do the 20 percent of locations include locations where the COLR currently has fiber deployed?

Locations where the COLR currently has fiber deployed would not count towards the COLR's commitment to deploy fiber to 20 percent of serviceable locations within a Relief Area. Rather, a COLR's existing fiber deployment would be counted to identify potential Relief Areas, i.e., areas where 80 percent of serviceable locations have at least one 1 Gbps wired broadband service offer available from one or more wireline providers, including the COLR.¹¹

6. What other criteria will be used to determine the list of locations that comprise the 20 percent of locations?

COLRs relinquishing their COLR status under the pathway outlined in the Joint Proposal would agree to prioritize deployment in Relief Areas that overlap with the "Low Income Areas" and "Disadvantaged Communities" on the Commission's Federal Funding Account Round 2

¹¹ See Joint Proposal § 1(c) ("[L]ocations where the COLR and other providers have been granted government funding to expand their fiber networks may be counted as locations possessing a 1 Gbps offer when those locations are connected."); AT&T California Reply Comments to Staff Proposal at 7–8; see also The Pub. Advoc. Off. Reply Comments on the Admin. L. Judge's Ruling Issuing Staff Proposal 4 (filed Feb. 13, 2026) ("Cal Advocates Reply Comments to Staff Proposal").

Public Map.¹² “Low Income Areas” are defined as areas where the median household income is less than 80 percent of the county or the state.¹³ “Disadvantaged Communities” are designated by the California Environmental Protection Agency and are determined based on economic, health, and environmental factors.¹⁴

7. Does the fiber commitment include 20 percent of locations not currently receiving 1 gigabit per second in the relief area, or 20 percent of all locations?

A COLR’s commitment to deploy fiber to 20 percent of serviceable locations within a Relief Area would be measured against all serviceable locations within the Relief Area, not just locations that currently lack at least one 1 Gbps wired broadband service offer. As described in the Joint Proposal, a relinquishing COLR would prioritize deployment in Low Income Areas and Disadvantaged Communities.

8. Cal Advocates is asked to explain the following statement on page 4 of its Reply Comments: “...a COLR relief zone could expand depending on the progress made towards expanding fiber networks in the Broadband, Equity, Access, and Deployment (BEAD) and California Advance Services Fund (CASF) programs.” Please explain what “expand” means in the context of the sentence.

Cal Advocates’ Response:

For a COLR to file for relief under the Joint Proposal, it must define a “Relief Area.” At the time the advice letter is filed, at least 80 percent of the serviceable locations in the Relief Area must have a 1 Gbps wired broadband service offer made by one or more wireline provider, including the COLR. With each passing year, the California Advanced Services Fund, Federal Funding Account, and eventually Broadband, Equity, Access, and Deployment (BEAD) programs will be financing the creation of additional fiber connected serviceable locations,

¹² AT&T California Reply Comments to Staff Proposal at 8; *see also* Joint Proposal § 3.

¹³ AT&T California Reply Comments to Staff Proposal at 8.

¹⁴ *Id.*

which would qualify as serviceable locations that have 1 Gbps wired broadband service when they are connected. The term “expand” refers to the growth of privately and publicly funded networks that increase the overall number of serviceable locations in California that would count towards the 80 percent of serviceable locations with 1 Gbps wired broadband service offer available. As more serviceable locations are connected, the greater the number of serviceable locations would be that would qualify under the 80 percent eligibility rule in defining a Relief Area.

9. Cal Advocates is asked to explain the following statement on page 4 of its Reply Comments: “Households already connected to fiber by the COLR would also be considered eligible for relief, and the COLR would be required to offer LifeLine in the post-transition environment.” Does this mean that any areas that have fiber already deployed by the COLR, regardless of the number of wireline providers separate from COLR, should be relieved from COLR obligations?

Cal Advocates’ Response:

Areas with fiber already deployed by the COLR would be eligible for COLR relinquishment under the pathway outlined in the Joint Proposal. Unlike the Significant Consumer Choice and Limited Consumer Choice pathways articulated in the Staff Proposal, the Joint Proposal’s pathway allows for relief in areas where the COLR is the only wireline provider, as long as 80 percent of the serviceable locations in the Relief Area have a 1 Gbps wired broadband service offer. The provider would be relieved of COLR obligations throughout the relief area, but it must offer voice or broadband service throughout the Relief Area, using any technology. This obligation to serve is technology-neutral. The Joint Proposal includes a requirement that COLRs offer LifeLine service in the newly deployed fiber locations of the Relief Area.

Separate from the Joint Proposal, Cal Advocates recommends the Commission apply this LifeLine requirement throughout the Relief Area in perpetuity. Cal Advocates also recommends

that the relinquishing COLR be required to offer voice or broadband service throughout the Relief Area, using any technology, in perpetuity.

AT&T California's Response:

In light of the dynamic marketplace and to incentivize participation in the pathway set forth in the Joint Proposal, the Commission should accept the voice and broadband commitment for a term of years. This approach would be consistent with service commitments associated with broadband funding programs. For instance, the receipt of various forms of government funding, such as FFA funding, CASF, and BEAD, include pricing commitments for a matter of years, not indefinitely.¹⁵ Likewise, in the recent approval of the Verizon-Frontier transaction, the Commission accepted Verizon's affordability and low-income commitments for a period of 16 years.¹⁶ Here, the relinquishing COLR would not receive government funding but would shoulder a significant fiber deployment obligation in areas that are already well-served by broadband. An indefinite, potentially perpetual, commitment would be unjustified and could deter COLRs from using the mechanism provided in the Joint Proposal.

¹⁵ See *Ord. Instituting Rulemaking Regarding Revisions to the Cal. Advanced Servs. Fund*, D.22-11-023, 2022 WL 17225711, at *40 (Cal. Pub. Utils. Comm'n Nov. 17, 2022) ("All applicants shall commit to serve customers in the project area at prices not exceeding those provided in the application, for five years after project completion."); *Ord. Instituting Rulemaking Regarding Broadband Infrastructure Deployment & To Support Serv. Providers in the State of Cal.*, D.22-04-055, 2022 WL 1523049, at *63 (Cal. Pub. Utils. Comm'n Apr. 21, 2022).

¹⁶ *In the Matter of the Joint Application of Verizon Commc'ns Inc., Frontier Commc'ns Parent, Inc., Frontier Cal. Inc., Citizens Telecomms. Co. of Cal. Inc., Frontier Commc'ns of the Sw. Inc., Frontier Commc'ns Online & Long Distance Inc., & Frontier Commc'ns of Am., Inc. for Approval of the Transfer of Control of Frontier Cal. Inc. (U1002C), Citizens Telecomms. Co. of Cal. (U1024C), Frontier Commc'ns of the Sw. Inc. (U1026C), Frontier Commc'ns Online & Long Distance Inc. (U7167C), & Frontier Commc'ns of Am., Inc. (U5429C), to Verizon Commc'ns Inc. Pursuant to Cal. Pub. Utils. Code Section 854*, D.26-01-023, 2026 Cal. PUC LEXIS 23, at *150–152 (Jan. 15, 2026).

10. Cal Advocates is asked to provide all calculations that support the statement that the Joint Proposal will result in “... more than 1 million fiber lines to be deployed throughout the state over ten years.”

Cal Advocates’ Response:

The maximum number of lines of fiber that could be deployed under the Joint Proposal would be the entire count of serviceable locations in COLR territories divided by five. However, the Joint Proposal is restricted to areas well-provisioned with 1 Gbps broadband wireline connections. In addition, the new fiber build out that would be required under the Joint Proposal would be privately financed. Therefore, Incumbent Local Exchange Carriers (ILECs) could not seek relief throughout their service territories in a single filing. Furthermore, in seeking COLR relinquishment, AT&T California has made a commitment not to leave any customer behind in the transition to modern high-speed fixed and mobile broadband networks and services.¹⁷

The estimate of “more than 1 million fiber lines” for AT&T California specifically is based on the number of serviceable locations that exist in what both Cal Advocates and industry analysis projects as “profitable to serve without subsidies” territory based on population density divided by five. To estimate the number of “profitable to serve without subsidy” serviceable locations, Cal Advocates created a cost curve estimation following the methodology adopted by the Fiber Broadband Association’s Cartesian study. Additional analysis is provided in the answer to Question 16 as this estimation also underlies the performance bond recommendation by Cal Advocates.

Lastly, Cal Advocates’ research has found that fiber providers’ competition against cable companies resulted in significant price competition and consumer savings.¹⁸ The data suggests

¹⁷ Refer to the joint response of AT&T California and Cal Advocates to Question 17.

¹⁸ Bixia Ye et al., *Broadband Competition and Pricing Strategies in California's Urban Markets: A Comparative Analysis of Major Internet Service Providers in San Mateo, Oakland, Los Angeles, and San*

that carriers, such as AT&T California, are motivated to deploy fiber to the maximum extent possible in these cable markets because they are gaining customers from cable through bundled offerings of fiber and mobile wireless.¹⁹

11. In the event 20 percent of all locations in an eligible relief zones adds up to more than 1 million locations, how do AT&T California and Cal Advocates propose the Commission address this circumstance in a manner that is consistent with the Joint Proposal?

Under the Joint Proposal, a Relief Area may not exceed 1 million serviceable locations.²⁰

A COLR may file multiple Tier 2 advice letters for multiple Relief Areas, each one of which would be considered separately by Commission Staff under the Joint Proposal. But “20 percent of all [serviceable] locations in an eligible relief zone[] [i.e., single Relief Area]” cannot add up to more than 1 million locations consistent with the Joint Proposal.

12. Does the Joint Proposal include interim milestones across 10 years to track progress on the commitment of 1 million new fiber connections in California?

The Joint Proposal does not commit a COLR to deploy fiber to 1 million serviceable locations. Rather, if a COLR files a Tier 2 advice letter under the Joint Proposal, the COLR would commit to deploy fiber to 20 percent of serviceable locations within the Relief Area identified in the advice letter.²¹ As an example, if the identified Relief Area consists of one

Diego (Jan. 14, 2026), <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/260114-public-advocates-broadband-competition-and-pricing-strategies-in-california-urban-markets.pdf>. This analysis has not been verified by AT&T California for the purposes of this filing.

¹⁹ *Edited Transcript - Q4 2025 AT&T Inc Earnings Call*, AT&T Investors (Jan. 28, 2026), available at <https://investors.att.com/financial-reports/quarterly-earnings/2025>.

²⁰ AT&T California Reply Comments to Staff Proposal at 7; Joint Proposal § 1(b).

²¹ AT&T California Reply Comments to Staff Proposal at 7.

million serviceable locations, the COLR would commit to build fiber to 200,000 locations in the Relief Area.²²

The Joint Proposal does not include any interim fiber deployment milestones within the ten-year commitment period, but the COLR would report quarterly to the Commission on the number of serviceable locations built to satisfy its commitment until the completion of its deployment in the Relief Area.²³

Cal Advocates' Response

The Commission should follow its established practices for tracking progress on infrastructure investment projects. For example, the Commission has adopted interim milestone tracking for the Federal Funding Account (FFA) Awards program and has also directed AT&T California to provide milestone updates in accordance with Commission Resolution T-17880.²⁴ Both offer the appropriate interim milestones and methodologies for tracking the type of fiber deployment discussed in the Joint Proposal. As AT&T California is responsible for fulfilling its obligations under T-17880, it is, of course, familiar with the milestone reporting requirements. Moreover, as the Commission has awarded FFA grants to AT&T California and two other COLRs, they are also familiar with those requirements.²⁵ Within the FFA program, the Construction Progress Reports User Guide includes a Construction Schedule Tracker Template

²² *Id.*

²³ *Id.* at 8.

²⁴ Cal. Pub. Utils. Comm'n Resol. T-17880, at 8–10 (June 12, 2025).

²⁵ *Federal Funding Account Awards Dashboard*, Tableau Public, <https://public.tableau.com/app/profile/cpuc.broadbandsupport/viz/FederalFundingAccountAwardsDashboard/FFADashboardOriginal> (last visited Apr. 9, 2026).

appropriate for tracking fiber deployment construction milestones.²⁶ As each relief area may vary in size and number of locations to receive fiber, the Commission could also require High-Level Design GeoPackage (.gpkg) files as part of ongoing and project completion validation. The Commission has already developed the needed interim milestone tracking mechanisms for fiber deployment projects and it can choose which is preferred to support the fiber deployed under the Joint Proposal.

AT&T California's Response:

AT&T California supports appropriate deployment tracking and reporting similar to that adopted by the Commission in T-17880.²⁷

Both AT&T California and Cal Advocates agree that financial reporting requirements, such as vendor invoicing, are not necessary in the Joint Proposal because the relinquishing COLR is not receiving government funding.

13. Please explain the Joint Proposal's commitment to LifeLine participation. Please include information on the specifics of the Joint Proposal such as whether AT&T participation in the California LifeLine program will include the offering of broadband service. Please also specify if the offering of California LifeLine will be provided to 100 percent of all locations in a "relief zone" or just 20 percent of the locations. Please also specify how long the COLR will be required to offer California LifeLine and when the timing starts.

A COLR relinquishing its status under the Joint Proposal would participate in the California LifeLine program by offering its standalone broadband or a broadband/voice service bundle to the newly deployed fiber serviceable locations in a Relief Area for a period of time after completion of the deployment.²⁸

²⁶ Cal. Pub. Utils. Comm'n, *Construction Progress Report* (Oct. 17, 2024), <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/broadband-implementation-for-california/ffa-webpages/post-award-items/construction-verification.pdf>.

²⁷ Cal. Pub. Utils. Comm'n Resol. T-17880, at 8–10 (June 12, 2025).

²⁸ Joint Proposal § 2.

Cal Advocates' Response:

The Joint Proposal includes a requirement that COLRs offer LifeLine service in the 20 percent of the Relief Area that has newly deployed fiber locations. Separate from the Joint Proposal, Cal Advocates recommends the Commission extend this LifeLine requirement to 100 percent of all locations in the Relief Area in perpetuity.²⁹

AT&T California's Response:

AT&T California proposes that this commitment term be no more than five years, which is consistent with periods adopted by the Commission in its CASF and FFA programs as appropriate for service commitments to fiber locations newly deployed with public funding.³⁰ See also AT&T California response to Question 9, above.

14. What enforcement mechanisms or penalties apply if deployment targets are not met?

The Joint Proposal does not have deployment targets short of the ten-year deployment commitment. The Joint Proposal does not provide specific enforcement mechanism or penalties for COLRs that engage in its voluntary process for COLR relinquishment. The Commission may use its existing enforcement powers to enforce the commitments made by the COLR.³¹ Cal Advocates has proposed a performance bond as an enforcement mechanism to hold any provider seeking COLR relinquishment for the fiber deployment pursuant to the Joint Proposal.³²

²⁹ Cal Advocates Reply Comments to Staff Proposal at 6.

³⁰ AT&T California Reply Comments to Staff Proposal at 8.

³¹ See Cal. Pub. Util. Code § 1013.

³² Cal Advocates Reply Comments to Staff Proposal at 6–7.

Cal Advocates Response:

A performance bond,³³ which is one of the Commission's enforcement powers, is the recommended enforcement mechanism to ensure that a COLR meets its deployment commitments.³⁴ The Commission has the authority to require a performance bond under California Public Utilities Code § 1013(e). A performance bond for each requested Relief Area would provide assurance to the Commission and the public that a COLR will meet its obligation to deploy fiber in that area. A COLR, when it submits a Tier 2 advice letter, will provide the location-specific data necessary to identify where it intends to deploy its fiber commitment. Upon approval of the Relief Area and the total locations identified for the fiber commitment, the COLR will provide the Commission with the requisite performance bond based on a \$2,000 per-line multiplier. Each year, upon Commission verification of the completed progress, the COLR can adjust the bond value for the specific Relief Areas.

AT&T California's Response:

AT&T California proposes that the Commission use its existing enforcement powers to enforce the commitments made by the COLR.³⁵ The Commission recently approved T-17880 without a performance bond. Because the Joint Proposal's fiber commitment would not be government-funded, a performance bond is not required. Nor would it be appropriate—especially given the other enforcement mechanisms at the Commission's disposal. Moreover, a bond requirement would discourage COLRs' voluntary participation in the pathway proposed by

³³ A performance bond is a financial guarantee issued by a bank or insurance company, typically based on a percentage of the construction project's cost, which ensures the completion of the project or the contractor forfeits the financial guarantee to the purchaser.

³⁴ See Cal. Pub. Util. Code § 1013(e).

³⁵ AT&T California Reply Comments to Staff Proposal at 9.

the Joint Proposal. In any event, AT&T California has a strong record of fulfilling its commitments, and there is no record evidence to support a conclusion that it would be unable to do so here.

15. Please provide analysis showing where relief zones overlap with Environmental and Social Justice (ESJ) communities.

There is no Commission map that clearly indicates what areas within California qualify as ESJ communities.³⁶ Therefore, AT&T California and Cal Advocates drafted the Joint Proposal with reference to the Federal Funding Account Round 2 Public Map.

The Joint Proposal requires that the relinquishing COLR prioritize Low Income Areas and Disadvantaged Communities for fiber deployment, thereby prioritizing ESJ Communities.³⁷ Relief Areas requested by relinquishing COLRs via the Tier 2 advice letter process will vary in size and location.

Cal Advocates' Response:

Cal Advocates has developed the following maps as examples for illustration purposes of what Relief Areas may look like, including ESJ Communities.³⁸ For each map, the illustrated

³⁶ See *Environmental and Social Justice Action*, Cal. Pub. Utils. Comm'n, <https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan> (last visited Apr. 10, 2026) for the Commission's definition of ESJ Communities. However, in the COLR application proceeding, AT&T California introduced evidence that "[v]irtually all CBs within AT&T California's service territory that overlap with a Disadvantaged Community have one or more voice service alternative: 99.99 percent of potential customers (as measured by population) residing in a Disadvantaged Community have at least one alternative voice services provider." Third Declaration of Mark A. Israel on Behalf of AT&T ¶ 15 (May 17, 2023), in *Application of Pac. Bell Tel. Co. d/b/a AT&T Cal. (U 1001 C) for Targeted Relief from Its Carrier of Last Resort Obligations & Certain Associated Tariff Obligations*, A.23-03-003.

³⁷ Joint Proposal § 3.

³⁸ These maps were developed using data from the following publicly available sources: FCC, *Study Area Boundary Data*, <https://www.fcc.gov/economics-analytics/industry-analysis-division/study-area-boundary-data> (last visited Apr. 10, 2026); U.S. Census Bureau, *Explore Census Data*, <https://data.census.gov/> (last visited Apr. 10, 2026); State of Cal. OEHHA, *Disadvantaged Communities Map*, <https://oehha.ca.gov/calenviroscreen/sb535> (last visited Apr. 10, 2026); FCC, *Data Download, FCC National Broadband Map*, <https://broadbandmap.fcc.gov/data-download/data-by-provider?version=jun2025> (last visited Apr. 10, 2026).

Study Boundary Area represents example Relief Areas, and the portions within the boundary represent disadvantaged communities. Each map is accompanied by a table that breaks down the illustration by broadband serviceable location category and the percentage of the territory within the Relief Area it represents.

AT&T California's Response:

With appreciation for Cal Advocates' efforts to develop these maps, AT&T California has not had an opportunity to verify their accuracy in time for this filing.

Map Illustration I: Portion of Fresno within AT&T COLR Territory

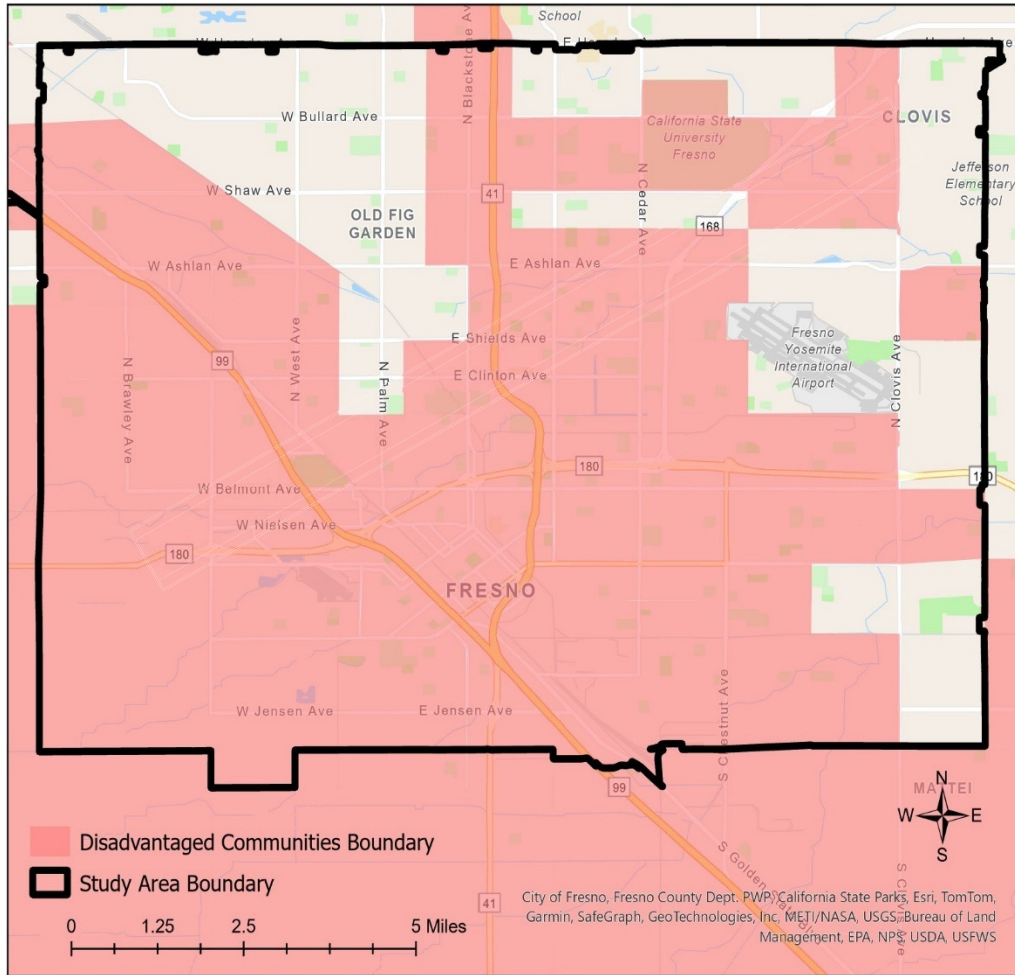


Table I. Sample Only Relief Area Data: Fresno

Type	Count	Percent
Broadband Serviceable Locations (BSL)	124,387	
BSL inside DAC	87,189	70%
BSL no Gigabit Provider	15,131	12%
BSL with Gigabit Provider(s)	109,256	88%
BSL With AT&T Gigabit Service (Existing)	53,750	43%

Map Illustration II: Sub-Portion A of Fresno within AT&T COLR Territory

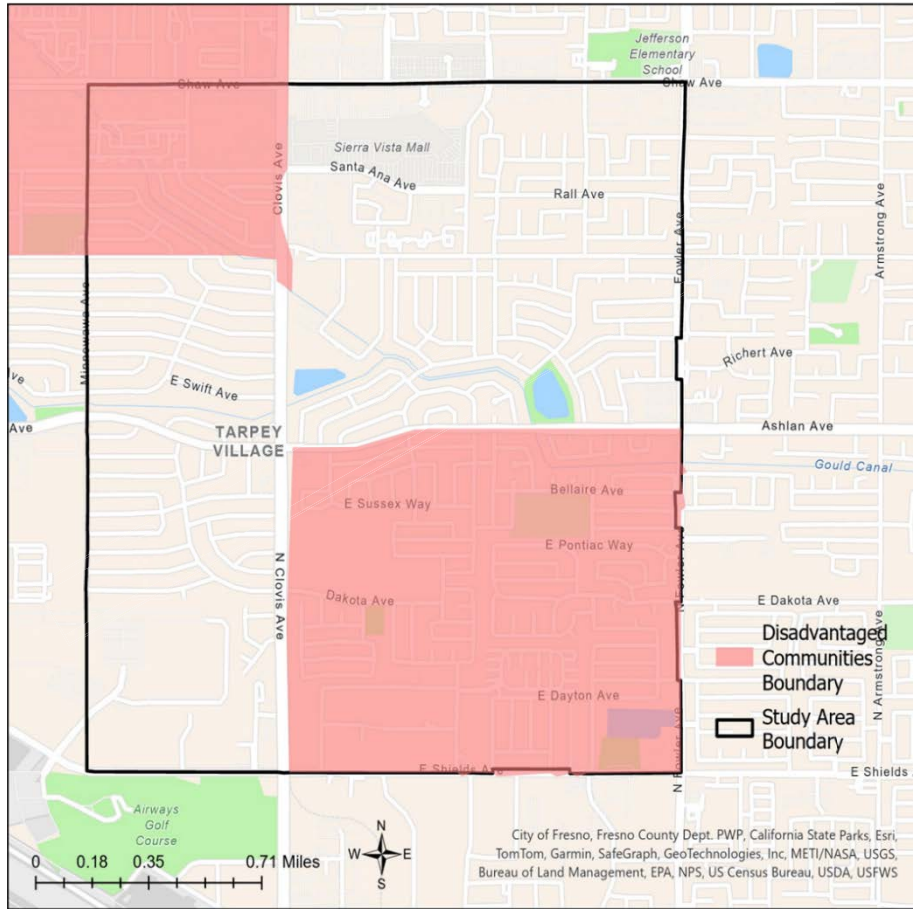


Table II. Sample Only Sub-Portion A Relief Area Data: Fresno

Type	Count	Percent
Broadband Serviceable Locations (BSL)	5073	
BSL inside DAC	2623	52%
BSL no Gigabit Provider	498	10%
BSL with Gigabit Provider(s)	4575	90%
BSL With AT&T Gigabit Service (Existing)	0	0%

Map Illustration III: Sub-Portion B of Fresno within AT&T COLR Territory

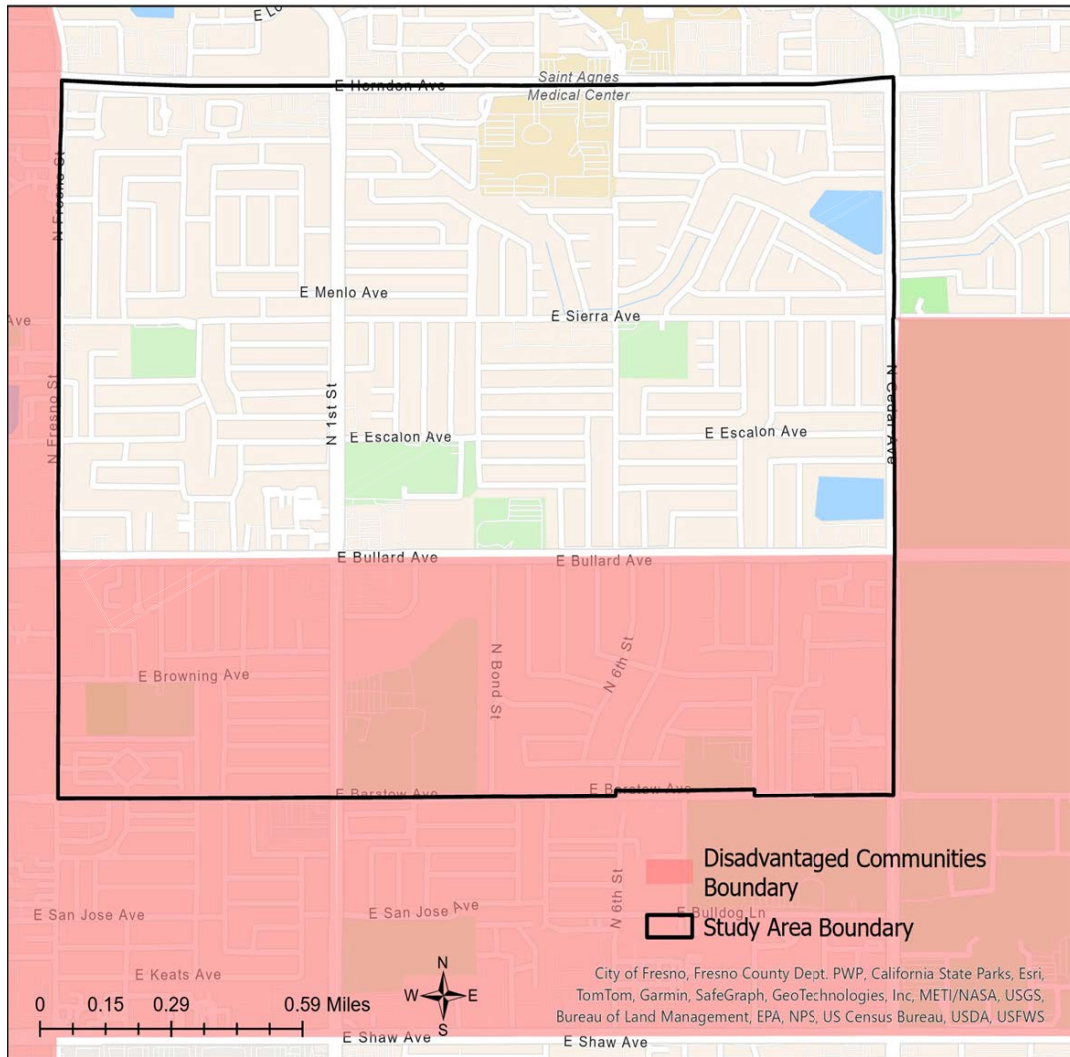


Table III. Sample Only Sub-Portion B Relief Area Data: Fresno

Type	Count	Percent
Broadband Serviceable Locations (BSL)	4166	
BSL inside DAC	1234	30%
BSL no Gigabit Provider	467	11%
BSL with Gigabit Provider(s)	3699	89%
BSL With AT&T Gigabit Service (Existing)	1896	46%

Map Illustration IV: Portion of Elk Grove within Frontier COLR Territory

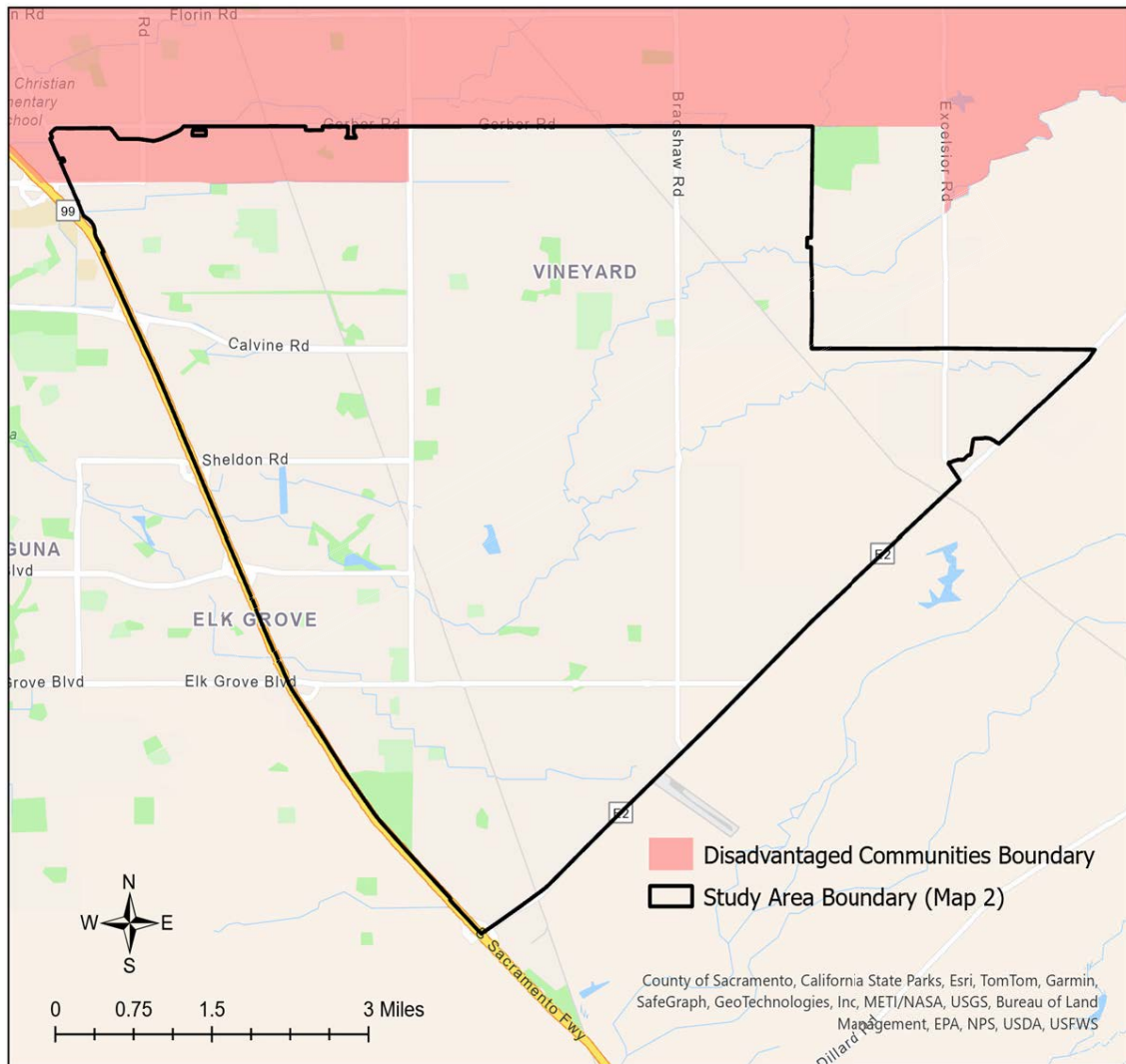


Table IV. Sample Only Relief Area Data: Elk Grove

Type	Count	Percent
Broadband Serviceable Location (BSL)	36527	
BSL inside DAC	2874	8%
BSL no Gigabit Provider	482	1%
BSL with Gigabit Provider(s)	36048	99%
BSL with Frontier Gigabit Service (Existing)	12560	34%

Map Illustration V: Sub-Portion of Elk Grove within Frontier Territory

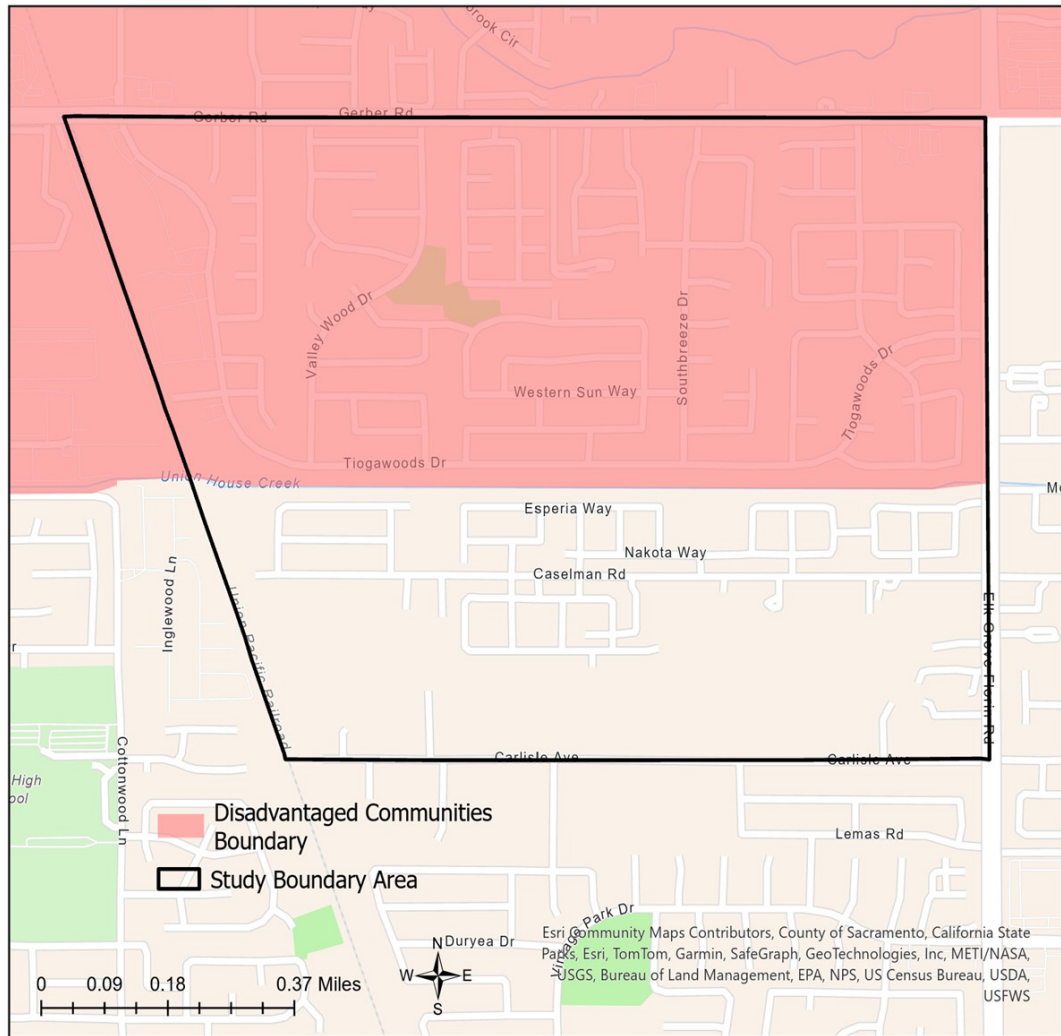


Table V. Sample Only Relief Area Data: Sub Portion of Elk Grove

Type	Count	Percent
Broadband Serviceable Location (BSL)	1613	
BSL inside DAC	1290	80%
BSL no Gigabit Provider	0	0%
BSL with Gigabit Provider(s)	1613	100%
BSL with Frontier Gigabit Service (Existing)	0	0%

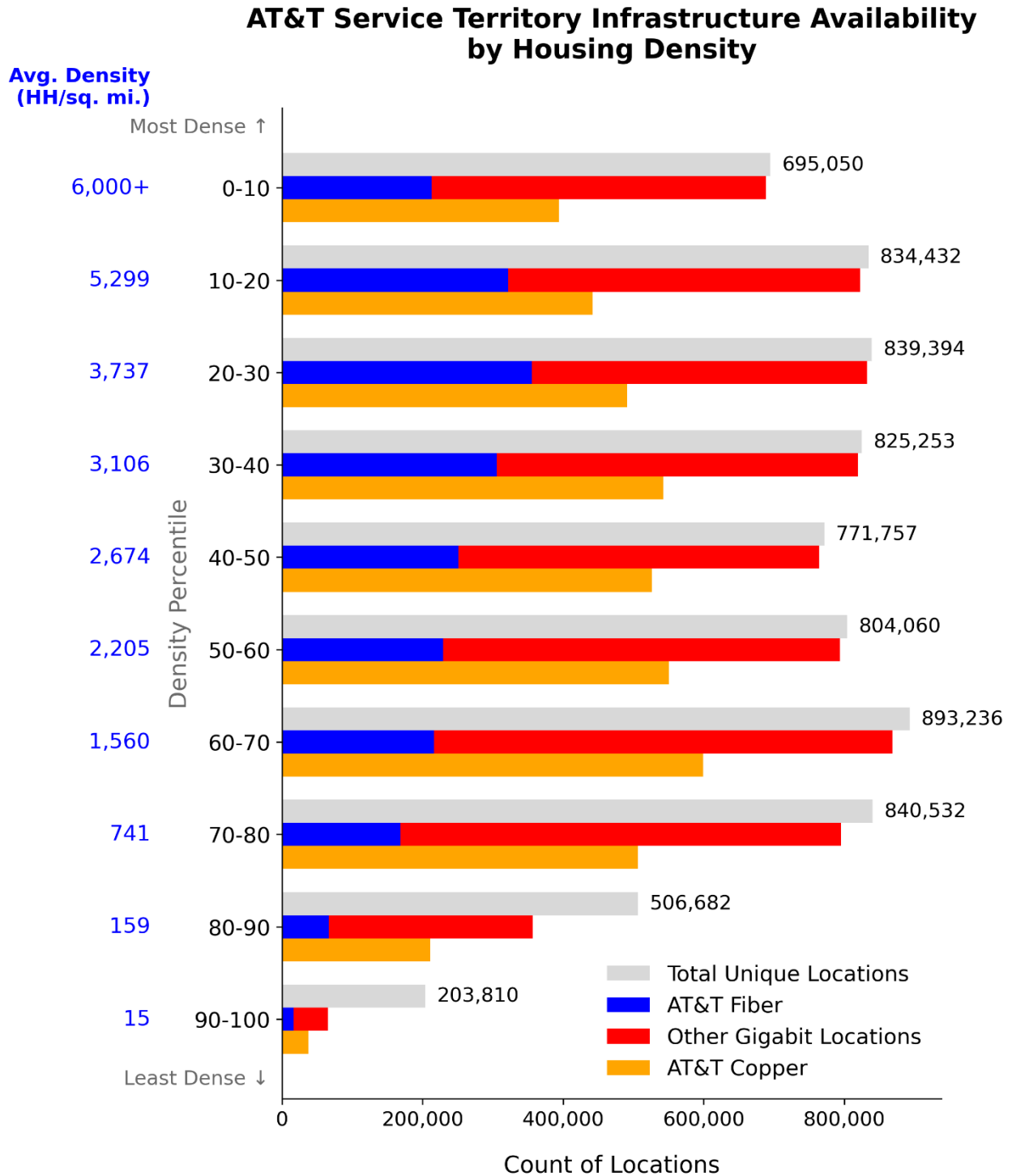
16. Footnote 20 of Cal Advocates' Reply Comments cites to a report on deployment costs prepared by the Fiber Broadband Association. The Joint Proposal states, "Based on industry cost modeling data, \$2,000 per household would exceed the expected average cost per household of connecting fiber to homes within an eligible relief zone." Please provide documentation and underlying data that informs the \$2,000 metric.

Cal Advocates' Response:

The \$2,000 per household metric is based on Cal Advocates' analysis of the Cartesian Study prepared by the Fiber Broadband Association for NTIA during BEAD implementation. The Cartesian study estimates national average fiber deployment costs of \$668 to \$1,313 per serviceable location in urban and suburban areas.³⁹ To both verify the estimated benefit of fiber lines and to establish the appropriate performance bond, Cal Advocates applied that methodology to AT&T California's service territory by mapping AT&T California's serviceable locations against census-derived population density, as shown in the figure below, and concluded that \$2,000 per serviceable location provides a sufficient bond enforcement threshold. The \$2,000 metric is set deliberately above projected costs so that compliance with a COLR's build obligation is less expensive than the penalty for failure. As illustrated in the chart below, applying the Cartesian cost-per-location estimates to California's density distribution, Cal Advocates finds it likely that a COLR would utilize the Joint Proposal framework up to and slightly past the 70th density percentile, where average costs remain below \$2,000 per location. AT&T California's service territory alone contains more than 5.5 million serviceable locations at or above that threshold, which would trigger a build obligation of more than one million fiber connections pursuant to the Joint Proposal's 1:5 ratio. Beyond the 70th percentile, rising costs

³⁹ Comments of the Fiber Broadband Ass'n 6 (filed June 25, 2020), in *In the Matter of The Nat'l Strategy to Secure 5G Implementation Plan*, Docket No. 200521-0144, available at https://www.ntia.gov/sites/default/files/publications/fba-06252020_0.pdf.

and diminishing eligible areas would constrain privately financed fiber deployment, making use of the Joint Proposal inapplicable in rural markets absent significant future expansion of wireline 1 Gbps providers.



AT&T California's Response:

AT&T California disagrees with the bond requirement for the reasons explained above in AT&T California's response to Question 13. In all events, there is no basis to inflate the required amount of any bond beyond the actual cost of deployment. Cal Advocates has cited to a national study that is more than five years old. This study is inadequate to support a performance bond based on cost per deployment. A bond requirement would discourage COLRs' voluntary participation in the pathway proposed by the Joint Proposal.

AT&T California has not had an opportunity to confirm the accuracy of Cal Advocates' pricing estimates or the chart above in time for this filing.

17. The Joint Proposal proposes a 5 household relief for 1 household fiber connection. Please explain how the joint proposers conclude this exchange of obligation for deployment benefits all Californians. What protections are in place to ensure the new connections will prioritize ESJ, low-income, and or historically disadvantaged communities?

Under the Joint Proposal, for a COLR to seek relinquishment in a particular Relief Area, it must offer voice or broadband using any technology throughout the Relief Area.⁴⁰ Put another way, a COLR seeking to relinquish its status under the Joint Proposal would commit to deploying fiber to 20 percent of serviceable locations within an area where it already offers voice or broadband through any technology. AT&T California has also made a commitment not to leave any customer behind in the transition to modern high-speed fixed and mobile broadband networks and services. Further, locations outside of the Relief Area would be unaffected.

Fiber deployment requires significant one-time costs, and this proposal would free up resources to allow providers to invest in modern networks and more advanced communications services. Further, the Joint Proposal would benefit Californians by promoting competition in

⁴⁰ Joint Proposal § 1(c); Cal Advocates Reply Comments to Staff Proposal at 3.

areas of the state where residents have no alternative broadband provider.⁴¹ Ultimately, the Joint Proposal reflects the shared desires of both carriers and the Commission to modernize California's telecommunications networks and provide advanced communications technologies to communities across the state.⁴²

Cal Advocates' Response:

Cal Advocates' response to Question 15 addresses this question by illustrating the impact the Joint Proposal would have on ESJ Communities. The Commission has identified Low-Income and Disadvantaged Communities within the FFA Round 2 Map. For all Californians within Relief Areas, the COLR would commit to a continued obligation to offer voice or broadband using any technology. Economically, the Joint Proposal provides the most significant benefit through competition for Californians who will receive an additional gigabit wireline option. Cal Advocates estimates that the areas that receive at least two gigabit wireline connections will see reduced monthly prices of \$15 to \$40 on average⁴³ from price competition between cable and fiber. This will result in consumer savings ranging between \$18 million to \$48 million per year for every 100,000 households connected.

⁴¹ Cal Advocates Reply Comments to Staff Proposal at 5.

⁴² AT&T California Reply Comments to Staff Proposal at 9.

⁴³ Bixia Ye et al., *Broadband Competition and Pricing Strategies in California's Urban Markets: A Comparative Analysis of Major Internet Service Providers in San Mateo, Oakland, Los Angeles, and San Diego* (Jan. 14, 2026), <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/260114-public-advocates-broadband-competition-and-pricing-strategies-in-california-urban-markets.pdf>. This analysis has not been verified by AT&T California for the purposes of this filing.

AT&T California's Response:

AT&T California has not had an opportunity to confirm the accuracy of these pricing estimates. Regarding the commitment to provide voice or broadband service, see also AT&T California's response above to Question 9.

18. As explained in the response to Question 6, COLRs would agree to prioritize deployment in Relief Areas that overlap with the "Low Income Areas" and "Disadvantaged Communities."⁴⁴ Both AT&T and Cal Advocates are directed to provide a detailed overview of the legal authorities the Commission has to mandate the requirements contained in the Joint Proposal.

AT&T California's Response:

The Commission has broad authority to grant relief from regulatory obligations that it imposed, that no longer serve their intended purpose, or whose costs now outweigh any benefits. *See* Cal. Pub. Util. Code § 701; *id.* § 321.1(a), (b) (expressing intent of Legislature for the Commission in rulemakings to "assess the consequences of its decisions, including economic effects"); *see also id.* § 1708 ("The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it."); *Application of S. Cal. Util. Power Pool, Imperial Irrigation Dist., Union Pac. Fuels, Inc., & Meridian Oil, Inc. for Rehearing of Resol. G-3072 Regarding an Interim Intrastate Access Rate*, D.94-09-038, 1994 Cal. PUC LEXIS 518, at *9 n.5 (Sept. 1, 1994) ("Public Utilities Code section 1708 confers upon this Commission broad authority to re-examine our past decisions and to enter orders rescinding, altering or amending those decisions ... Exercise of the authority conferred in section 1708 is generally considered a matter of discretion, although we have often chosen to exercise that discretion with care.")

⁴⁴ AT&T California Reply Comments to Staff Proposal at 8; *see also* Joint Proposal § 3.

This authority certainly extends to removing COLR obligations through the *voluntary* process set forth in the Joint Proposal. For example, the Commission has approved “voluntary” participation in regulatory programs that might subject those entities to regulatory obligations the Commission could not impose directly. *See, e.g., Ord. Instituting Rulemaking Regarding Revisions to the Cal. Universal Tel. Serv. (LifeLine) Program*, D.16-10-039, 2016 Cal. PUC LEXIS 571, at *14–15 (Oct. 27, 2016) (allowing VoIP providers to participate in California LifeLine Program and be subject to its regulatory requirements even though the Commission lacked authority over them because participation was “voluntary”); *Ord. Instituting Rulemaking Regarding Revisions to the Cal. Advanced Servs. Fund*, D.21-03-006, 2021 Cal. PUC LEXIS 105, at *13–14 (Mar. 4, 2021) (finding that certain regulatory requirements for participants in California Advanced Services Fund program were permissible because they only applied to a party that voluntarily agreed to participate); *id.* (“voluntary program requirements are not unique”). The distinctions between a mandate and a voluntary commitment are critical to the legality of the Joint Proposal. AT&T California Reply Comments at 9. The Staff Proposal’s broadband mandate, in contrast, violates both state and federal law. AT&T California Opening Comments at 16–22, 24–30. Unlike the Staff Proposal, the broadband services offered under the Joint Proposal would not be regulated by the Commission, either as “MES” or as a condition for relinquishment.

Cal Advocates’ Response

The Joint Proposal provides an alternative pathway to the two pathways offered within the Staff Proposal. The Commission has a long-standing legislative and statutory authority to regulate COLRs. This authority commenced with the development of the rules governing COLR requirements in Decision (D.) 96-10-066, continued with revisions to the requirements for

COLRs in D.12-12-038, and continues to be vested in the Commission to date. Just as the Commission would have authority to adopt the pathways set forth in the Staff Proposal, the Commission would also have authority to adopt the pathway to COLR relinquishment in the Joint Proposal as an alternative to the Staff Proposal.

Statutorily, California Public Utilities Code Section 701 authorizes the Commission to “supervise and regulate every public utility in the State and to do all things necessary and convenient in the exercise of its power and jurisdiction.” Public Utilities Code Section 216 defines a telephone corporation as a “public utility” that is subject to the jurisdiction, control, and regulation of the Commission. Under this definition, an incumbent Local Exchange Carrier (LEC) designated as a COLR⁴⁵ falls under the jurisdiction of the Commission and may be controlled and regulated by the Commission.

COLR regulation has been a long-standing authority that the legislature delegated to the Commission. In 1994, the legislature enacted Assembly Bill (AB) 3643, which directs the Commission to initiate a proceeding to examine the current and future definitions of universal service in telecommunications.⁴⁶ AB 3643 explicitly lists one of the objectives of the proceeding as “addressing the issue of ‘carrier of last resort.’”⁴⁷ The Commission initiated Rulemaking (R.) 95-01-020 and Investigation (I.) 95-01-021, which resulted in D.96-10-066. As required by AB 3643, the policies developed in D.96-10-066 are consistent with Pub. Util. Section 709. Pub.

⁴⁵ Pub. Utils. Code § 275.6(b)(1) defines a “carrier of last resort” as a telephone corporation that is required to fulfill all reasonable requests for service within its service territory. Senate Bill 857 (2022) amended Pub. Utils. Code § 275.6 to extend the CHCF-A program and CHCF-B program requirements to January 1, 2028. COLR policy is embedded within the statutory obligation of the Commission to regulate High-Costs Fund-A.

⁴⁶ California State Assembly Bill (AB) 3643, (Polanco, 1994).

⁴⁷ AB 3643, (Polanco, 1994). *See also Rulemaking on Comm’n’s Own Motion into Universal Serv. & To Comply with the Mandates of Assembly Bill 3643*, D.96-10-066, 1996 Cal. PUC LEXIS 1046, at *7–11 (Oct. 25, 1996).

Util. Code Section 709 lists the telecommunications policies that the legislature requires in California, including “to continue [California’s] universal service commitment by assuring the continued affordability and widespread availability of high-quality telecommunications services to all Californians.” Pub. Util. Code Section 709 also enumerates a policy to “encourage the development and deployment of new technologies and the equitable provisions of services in a way that efficiently meets consumer need and encourages the ubiquitous availability of a wide choice of state-of-the-art services.”

Updating COLR rules and establishing new pathways to relinquish carriers from COLR requirements, as the Joint Proposal offers, is a continuation of the Commission’s authority over COLR regulation. In D.96-10-066 it first designated 22 incumbent LECs as COLRs⁴⁸ and developed a procedure to replace the last remaining COLRs.⁴⁹ In D.12-12-038, the Commission affirmed the COLR rules and revised the elements of basic service consistent with its statutory obligation to regulate telecommunication providers.⁵⁰ The Joint Proposal does not propose changes that fall outside of the scope of the Commission’s authority. Rather, the Joint Proposal provides updates to the COLR rules as an alternative pathway to the recommendations set forth in the Staff Proposal.

III. CONCLUSION

For the reasons explained above, the Commission should remove the COLR mandate and reform its COLR rules as outlined in AT&T California and Cal Advocates’ Joint Proposal.

⁴⁸ *Rulemaking on Comm’n’s Own Motion into Universal Serv. & To Comply with the Mandates of Assembly Bill 3643*, D.96-10-066, 1996 Cal. PUC LEXIS 1046, at *424 (Oct. 25, 1996).

⁴⁹ *Id.* at *448–452 app. A.

⁵⁰ *Ord. Instituting Rulemaking Regarding Revisions to the Cal. High Cost Fund B Program*, D.12-12-038, 2012 Cal. PUC LEXIS 597, at *86 (Dec. 20, 2012).

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