

**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*

Rulemaking 24-06-012  
(Filed June 20, 2024)

**JOINT OPENING COMMENTS OF THE RURAL COUNTY REPRESENTATIVES OF  
CALIFORNIA, CALIFORNIA ALLIANCE FOR DIGITAL EQUITY, CENTER FOR  
ACCESSIBLE TECHNOLOGY, AND MEDIA ALLIANCE ON ADMINISTRATIVE LAW  
JUDGE'S RULING SOLICITING COMMENTS ON FCC SECTION 214 DISCONTINUANCE  
RULES CHANGE IMPACT**

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Dated: June 10, 2026

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**I. Introduction**

Pursuant to Rule 6.2 of the California Public Utilities Commission (“Commission” or “CPUC”) Rules of Practice and Procedure, the Rural County Representatives of California (“RCRC”), California Alliance for Digital Equity (“CADE”), Center for Accessible Technology (“CforAT”), and Media Alliance submits joint comments to *Administrative Law Judge’s Ruling Soliciting Comments on FCC Section 214 Service Discontinuance Rules Change Impact* (“Ruling”), issued May 28, 2026. RCRC and CforAT were granted party status on July 25, 2024, via an e-mail ruling from ALJ Glegola. CADE submitted a motion for party status on April 24, 2026, which is currently pending, and joins these comments in anticipation of party status being granted. Media Alliance was granted party status on October 2, 2024 via an email ruling from ALJ Glegola.

**II. Discussion**

RCRC, CADE, CforAT and Media Alliance appreciates the opportunity to comment on the Federal Communications Commission (FCC) Network Modernization Order (NMO). In short, the NMO has no adverse effect on the CPUC’s authority to set or modify carrier of last resort (COLR) rules.

## **Background**

As a threshold matter, even on its own terms, the NMO is best understood as a procedural reform to the Section 214 discontinuance process at the federal level; it is not a comprehensive reallocation of federal and state authority over retail service obligations, and does not prohibit the CPUC from ordering common carriers to provide intrastate telephone services as carriers of last resort. The NMO streamlines the federal framework governing when and how carriers may discontinue legacy voice service and its underlying infrastructure to facilitate the transition to a higher-quality, IP-based network through consolidated discontinuance rules and expanded eligibility for streamlined approval. The NMO does not hold that all state service obligations are preempted, nor does it establish that states lack authority to impose independent, generally applicable telecommunications service within their borders. Therefore, there is no need to “harmonize” rules to the FCC’s order, as the Ruling questions.

More fundamentally, even if the FCC’s order was intended to preempt the CPUC’s authority to set or modify COLR rules under California law, the FCC lacks such power. California’s COLR rules arise from the State’s core police powers to protect public safety, ensure continuity of essential communications services, and promote universal access. Courts have consistently recognized that, absent clear congressional intent, federal law should not be read to displace state authority in areas such as consumer protection, emergency preparedness, and access to essential infrastructure. Such congressional intent is wholly absent here.

To the contrary, the Communications Act expressly preserves state authority over intrastate communications. (47 U.S.C. § 152(b).) This includes the explicit authority to “order” telecommunications carriers to provide intrastate services to unserved areas. (47 U.S.C. § 214(e)(3).) In a decision directly applicable to the current circumstance, the U.S. Supreme Court found Section 152(b) constitutes “a congressional denial of power to the FCC. . . . To permit an agency to expand its power in the face of a congressional limitation on its jurisdiction would be to grant to the agency power to override Congress.” (Louisiana Pub. Serv. Comm’n v. FCC, 476 U.S. 355, 374-75 (1986)). Indeed, states’ authority over COLR obligations aligns with Congress’s intent in the Telecommunications Act of 1996 to preserve state authority to impose “requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.” (47 U.S.C. § 253(b)). Regardless of the NMO, the CPUC retains its authority, which it has exercised – and should continue to vigorously exercise – through the existing COLR requirements.

Universal service requirements to provide access to basic telephone service is technology-neutral. The obligation to ensure that all Californians have access to basic communications service is fundamentally an intrastate issue. State COLR rules do not regulate the act of discontinuance within the meaning of Section 214; rather, they regulate who must serve end users and under what conditions within the state. Technology-neutral laws, like California’s, define what service must be provided, not what legacy technology should be preserved. Copper is one implementation, not the legal requirement itself. The obligation is to provide the service reliably and universally, not specifically over copper wires. Fiber infrastructure, for instance, is simply a newer, higher-capacity, and generally more reliable<sup>1</sup> method of delivering the same or better service. Saying COLR rules require a copper network specifically is like claiming modern mail trucks violate parcel delivery requirements because the original system used horses.

**AT&T’s Disingenuous Interpretation of the NMO is Chaotic**

AT&T’s most recent Attestation<sup>2</sup> as well as its FCC petition for COLR preemption<sup>3</sup> fundamentally misunderstands the purpose of COLR and the service it provides to customers. First, the Attestation demonstrates that AT&T is attempting to redefine COLR as a narrow obligation tied only to maintaining a specific legacy technology—plain old telephone service or POTS—rather than a broader obligation to ensure reliable, universally available voice service. The Attestation repeatedly emphasizes that COLR “effectively requires it to provide POTS”<sup>4</sup> and frames compliance almost entirely in terms of maintaining legacy TDM-based infrastructure, even when higher quality infrastructure is available to reliably deliver voice communications.

But that framing omits the core purpose of COLR to guarantee that every customer, especially in lower density, hard-to-serve or vulnerable communities, has access to dependable, affordable voice service regardless of market conditions. By focusing on the technical characteristics of POTS rather than the functional outcomes for customers, the Attestation treats COLR as a burden tied to a specific network architecture, rather than a consumer protection obligation. It also minimizes the continuing role of wireline reliability, including for 9-1-1 access, medical monitoring, and other power-dependent devices, by emphasizing declining usage and the availability of substitutes, rather than examining whether those substitutes are equivalent in reliability, coverage, and resiliency for all customers.

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<sup>1</sup> Service continuity during power outages depends on the availability of back-up power.

<sup>2</sup> See *Pacific Bell Telephone Company D/B/A AT&T California (U 1001 C) Response to Administrative Law Judge’s Ruling Ordering AT&T California Attestation and Verification*, served May 29, 2026 to R.24-06-012 Service List.

<sup>3</sup> See *In the Matter of Petition of AT&T for Preemption and Declaratory Ruling Regarding California’s Carrier of Last Resort and Related Requirements*, WC Docket No. 26-125, filed May 20, 2026.

<sup>4</sup> Page 8, AT&T Attestation. See also page 11, AT&T Preemption Petition.

Second, AT&T’s petition to the FCC characterizes California’s universal service laws as outdated, but does so by essentially equating “outdated” with “no longer being aligned with AT&T’s preferred investment strategy.” The petition generally argues that COLR rules are relics of a monopoly era and impose unnecessary costs because few households in their territory still rely on traditional POTS, and most customers have access to multiple alternatives. Again, this argument fundamentally misunderstands universal service policy.

And critically, AT&T’s own filings undercut its narrative that COLR obligations are an unsustainable barrier to investment. AT&T acknowledges significant and ongoing planned capital investment such as a \$19 billion commitment to expand fiber and wireless infrastructure in California through 2030.<sup>5</sup> At the same time, in its FCC petition, AT&T argues that maintaining COLR obligations diverts resources away from modernization and prevents investments in next-generation networks. These positions are difficult to reconcile with the company’s broader financial posture. In its 2025 Annual Report, AT&T issued more than \$12 billion to its stockholders—50% more than in 2024.<sup>6</sup> The math of legacy obligations as a barrier to adequately serve customers or achieve profitability simply doesn’t add up. COLR obligations are being framed as a constraint not because they make modernization impossible, but because they require AT&T to continue serving customers and communities they don’t want to prioritize for maintenance upgrades because it is *less* profitable (not unprofitable) to do so.

### **CPUC Should Stay the Course**

CPUC should continue to consider changes to COLR rules as scoped in this proceeding. While the Staff Report<sup>7</sup> focused on market competition to assess COLR relief (i.e. defining “limited consumer choice” and “significant consumer choice” areas), CPUC should instead renew its focus on reforming the elements of basic service that COLRs such as AT&T perceive to be a technological barrier to provide higher quality service over next-generation infrastructure, such as fiber. The end result of updating California’s COLR regime must uphold the principles of attaining reliable, universal service upon request and the best way to do so is by updating the elements of service that must be available to end users.<sup>8</sup>

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<sup>5</sup> See [AT&T Makes \\$19 Billion Commitment to Bring High-Speed Connectivity to California](#), May 20, 2026.

<sup>6</sup> See *AT&T Leading the Next Era of Connectivity, 2025 Annual Report*, <https://investors.att.com/financial-reports/annual-reports/2025> accessed June 2, 2026.

<sup>7</sup> See *Administrative Law Judge’s Ruling Issuing Staff Proposal for Comment*, issued December 15, 2025.

<sup>8</sup> See *OPENING COMMENTS OF THE RURAL COUNTY REPRESENTATIVES OF CALIFORNIA ON ADMINISTRATIVE LAW JUDGE’S RULING ISSUING STAFF PROPOSAL*, January 30, 2026; and *REPLY COMMENTS OF THE RURAL COUNTY REPRESENTATIVES OF CALIFORNIA ON ADMINISTRATIVE LAW JUDGE’S RULING ISSUING STAFF PROPOSAL*, February 13, 2026.

### **III. Conclusion**

RCRC, CADE, CforAT and Media Alliance appreciates your consideration of our comments and the recommendations contained herein.

Respectfully submitted,

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