

**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.

R.24-06-012  
(Filed June 20, 2024)

**PACIFIC BELL TELEPHONE COMPANY D/B/A  
AT&T CALIFORNIA'S (U 1001 C) OPENING  
COMMENTS ON THE ADMINISTRATIVE LAW  
JUDGE'S RULING SOLICITING COMMENTS ON  
FCC SECTION 214 SERVICE DISCONTINUANCE  
RULES CHANGE IMPACT**

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June 10, 2026

Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C) (“AT&T California”) respectfully submits these Opening Comments on the Administrative Law Judge’s Ruling Soliciting Comments on FCC Section 214 Service Discontinuance Rules Change Impact, issued on May 28, 2026 (“May 28 Ruling”).

On March 27, 2026, the FCC released its Network Modernization Order (“NMO” or “the Order”), which adopted “common sense reforms” intended to “cut[] through the red tape that has both required providers to keep aging copper lines in place and effectively prevented them from investing in the modern infrastructure that Americans want and deserve.”<sup>1</sup> In particular, the FCC sought to “encourag[e] the IP transition so that all Americans have access to its many benefits.”<sup>2</sup> The May 28 Ruling invites parties to comment on the Order.<sup>3</sup>

Section I below summarizes several important components of the NMO, while Section II focuses on the Order’s “express[] find[ings] that federal law preempts state and local requirements to the extent they needlessly constrain the deployment of modern, next-generation IP-based networks by impeding providers’ ability to discontinue providing interstate and jurisdictionally mixed legacy services and to retire outdated and deteriorating legacy networks.”<sup>4</sup> Section III lists the federal filings that AT&T California has made to date in connection with the Order, and for each filing, summarizes the requested relief.

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<sup>1</sup> See *Reducing Barriers to Network Improvements & Serv. Changes*, WC Dkt. No. 25-209, Report and Order, FCC 26-19, ¶¶ 1, 4 (Mar. 27, 2026) (“Network Modernization Order”).

<sup>2</sup> *Id.* ¶ 7.

<sup>3</sup> May 28 Ruling at 1.

<sup>4</sup> Network Modernization Order ¶ 7.

## I. THE NETWORK MODERNIZATION ORDER'S SECTION 214 REFORMS.

In the NMO, the FCC adopted revised section 214 rules to accelerate the technology transition to IP-based networks and broadband investment, including the following:

*First*, the FCC revised its rules “to grant blanket section 214(a) authority for carriers to grandfather the following services to the extent they come within the purview of section 214(a): (1) any legacy voice service; (2) any lower-speed data telecommunications service; and (3) any interconnected VoIP service provisioned over copper wire.”<sup>5</sup> “This blanket grant of authority eliminates the need for carriers to file a section 214(a) application when grandfathering these services, allowing carriers to focus their resources on the development and deployment of next-generation networks while still providing service to current customers.”<sup>6</sup> In this regard, the FCC observed “eliminating unnecessary grandfathering requirements reduces carriers’ burdens while not affecting existing subscribers, as current customers are entitled to keep the grandfathered service.”<sup>7</sup>

*Second*, the FCC adopted five categories of replacement services on which a technology transition discontinuance application can rely to be eligible for streamlined processing: (1) facilities-based interconnected VoIP service; (2) facilities-based mobile wireless service; (3) voice service funded by FCC modernized high-cost mechanisms; (4) the carrier’s already available alternative voice service; and (5) widely available alternative voice service.<sup>8</sup> The FCC

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<sup>5</sup> *Id.* ¶ 60. This rule change effectively codified prior waivers granted by the FCC’s Wireline Competition Bureau. *Id.* ¶ 61.

<sup>6</sup> *Id.* ¶ 60.

<sup>7</sup> *Id.* ¶ 62.

<sup>8</sup> *Id.* ¶¶ 26–40. This “single consolidated technology transitions discontinuance rule” thus replaces the separate Adequate Replacement Test and Alternative Options Test. *Id.* ¶ 23.

found “that this rule will accelerate the application process while simultaneously protecting legacy service customers by ensuring that they have replacement service options available to them when their legacy service is discontinued” and “[t]his in turn will ensure that consumers receive the benefits of technology transitions with all reasonable efficiency.”<sup>9</sup>

*Third*, with respect to facilities-based mobile wireless service, the FCC “decline[d] to adopt additional verification requirements for the availability of mobile wireless service beyond the data reflected in the National Broadband Map.”<sup>10</sup> The FCC specifically rejected concerns that the National Broadband Map is “unreliable.”<sup>11</sup> It instead emphasized the “guardrails” that were in place to verify the accuracy of the National Broadband Map.<sup>12</sup> Thus, additional verification requirements “would negate the primary purpose of this rulemaking—to make technology transitions more efficient and encourage the deployment of advanced, next-generation networks—while providing no material benefit that is not already available to consumers.”<sup>13</sup>

## **II. THE NETWORK MODERNIZATION ORDER’S PREEMPTION RULINGS.**

The NMO also issued a declaratory ruling, finding that state mandates conflicting with the FCC’s section 214 discontinuance authorization are subject to preemption.<sup>14</sup> Specifically, the FCC found that “[s]ection 214 ... creates an exclusively federal discontinuance regime for

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<sup>9</sup> *Id.* ¶ 23 (citation omitted).

<sup>10</sup> *Id.* ¶ 35.

<sup>11</sup> *Id.* (“[T]here are already sufficient safeguards in place to account for discrepancies, including in rural areas, without the need to adopt more stringent, mobile-specific verification requirements at this time.”).

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *See id.* ¶¶ 106–15.

interstate or jurisdictionally mixed telecommunications services.”<sup>15</sup> In contrast, “[s]ection 214 provides states with a limited role in the federal discontinuance regime, but that role does not provide states with additional authority over services for which a provider has obtained [FCC] approval for discontinuance.”<sup>16</sup> Thus, “once the [FCC] has authorized a carrier to discontinue an interstate or jurisdictionally mixed telecommunications service, states may not enforce any law, regulation, or other requirement that on its face or in practical terms requires the carrier to continue providing the interstate or jurisdictionally mixed service the [FCC] has authorized the carrier to discontinue. States may not, consistent with federal law, *impose any additional conditions* on the [FCC’s] authorization of discontinuance, including conditions that purport to be technology neutral, but that have the practical effect of requiring the carrier to continue providing an interstate or jurisdictionally mixed telecommunications service.”<sup>17</sup>

Accordingly, under the Order, any such requirements are preempted. “[W]here the [FCC] has authorized discontinuance of interstate or jurisdictionally mixed legacy voice services, state requirements that make it impossible or impracticable for carriers to discontinue those services—and so in effect require carriers to continue providing interstate or jurisdictionally mixed telecommunications services—conflict with federal law, and the important federal policy represented by our modernized regulatory framework established in [the NMO] for network

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<sup>15</sup> *Id.* ¶ 108; *id.* (“Section 214 authorizes the [FCC] to determine when interstate or jurisdictionally mixed telecommunications services may be discontinued.”).

<sup>16</sup> *Id.* ¶ 110.

<sup>17</sup> *Id.* ¶ 112 (emphasis added); *see id.* ¶ 7 (“[A]fter a carrier obtains [FCC] authorization to discontinue a service, it need not obtain any additional authorizations before implementing that discontinuance of service.”); *see also id.* ¶ 114 n.415 (“[W]here the [FCC] has exercised its section 214(a) authority over interstate and/or jurisdictionally mixed service to allow a carrier to *grandfather* legacy voice service ... federal law preempts state requirements that operate to require the carrier to continue offering that interstate or jurisdictionally mixed grandfathered service to new customers.” (italics in original)).

changes and service discontinuances and are subject to preemption.”<sup>18</sup> The FCC further invited any carrier to seek a determination from the FCC that any “specific state law” that conflicts with an FCC authorization of discontinuance “is preempted.”<sup>19</sup>

### **III. SUBSEQUENT FEDERAL FILINGS.**

Following the NMO, AT&T California has made the following federal filings:

1. AT&T filed an application pursuant to 47 C.F.R. § 63.71 with the FCC “to discontinue AT&T Residential Local Service ... to approximately 184,000 residential customers ... in portions of 360 wire centers in California.”<sup>20</sup>
2. AT&T filed an application pursuant to 47 C.F.R. § 63.71 with the FCC “to discontinue AT&T Business Individual Access Line Service ... to approximately 15,000 customers in portions of 360 wire centers in California.”<sup>21</sup>
3. AT&T filed a petition for preemption and declaratory ruling with the FCC “seek[ing] a declaration that any California law or regulation that interferes with or otherwise conditions AT&T’s ability to discontinue POTS is preempted.”<sup>22</sup>
4. AT&T filed a complaint for declaratory and injunctive relief in the United States District Court for the Southern District of California asking the district court for “(i) a declaration that any California law or regulation that interferes with AT&T’s ability to grandfather POTS, as authorized by the FCC in the NMO, is unlawful; and

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<sup>18</sup> *Id.* ¶ 106.

<sup>19</sup> *Id.* ¶ 115.

<sup>20</sup> *Section 63.71 Application of AT&T Servs. Inc.*, WC Dkt. No. 26-121 (FCC filed May 20, 2026).

<sup>21</sup> *Section 63.71 Application of AT&T Servs. Inc.*, WC Dkt. No. 26-120 (FCC filed May 20, 2026).

<sup>22</sup> *Petition of AT&T for Preemption & Declaratory Ruling Regarding Cal.’s Carrier of Last Resort & Related Requirements*, WC Dkt. No. 26-125 (FCC filed May 20, 2026).

(ii) injunctive relief to preclude California officials from applying those laws or regulations to prevent or slow AT&T from grandfathering POTS.”<sup>23</sup>

These filings are attached hereto as Attachment 1.

Dated: June 10, 2026

Respectfully submitted,

AT&T California

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<sup>23</sup> Complaint, *Pac. Bell Tel. Co. v. Reynolds*, No. 3:26-cv-03148 (S.D. Cal. May 20, 2026).

# **ATTACHMENT 1**

**SECTION 63.71 APPLICATION  
OF AT&T (RESIDENTIAL)**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

Section 63.71 Application of

AT&T Services, Inc., on behalf of its affiliate;  
Pacific Bell Telephone Company d/b/a AT&T  
California

Authority Pursuant to Section 214 of  
The Communications Act of 1934, As Amended,  
To Discontinue the Provision of Service

**File No.**

**SECTION 63.71 APPLICATION OF AT&T**

AT&T<sup>1</sup> applies for authority under section 214(a) of the Communications Act, as amended, 47 U.S.C. § 214, and section 63.71 of the Federal Communications Commission’s (“Commission”) rules, 47 C.F.R. § 63.71, to discontinue certain legacy TDM-based voice services in certain wire centers located in California.

**INTRODUCTION**

In its recent *Network Modernization Order*, the Commission made clear its desire to accelerate the modernization of America’s communications infrastructure.<sup>2</sup> This Application takes an important step toward that goal. The copper wires that once served *every* home now

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<sup>1</sup> AT&T Services, Inc. files this Application on behalf of its affiliate Pacific Bell Telephone Company d/b/a AT&T California. The FRN associated with this filing is 0001551530.

<sup>2</sup> See *Reducing Barriers to Network Improvements and Serv. Changes*, Report and Order, FCC 26-19, WC Dkt. No. 25-209, ¶ 1 (Mar. 27, 2026) (“*Network Modernization Order*”).

serve just *three percent* of Californian households in AT&T’s service territory, and that number shrinks every day as customers switch to modern broadband options that are more affordable, reliable, and energy efficient. AT&T must spend \$1 billion a year to maintain a nearly empty copper network that has become an easy mark for criminals—California has already suffered about 2,000 outages from copper thefts this year—and that is estimated to drain the power grid of over 100 million of kilowatt-hours each year.

AT&T thus seeks to discontinue AT&T Residential Local Service (the “Affected Service”)—a copper-wire-based legacy service often referred to as “POTS”—to approximately 184,000 residential customers (the “Affected Customers”) in portions of 360 wire centers in California (the “Affected Service Area”).<sup>3</sup> This Application complements actions AT&T is concurrently taking to grandfather POTS in the Affected Service Area.<sup>4</sup> AT&T is filing concurrently a related Application to discontinue AT&T Business Individual Access Line Service<sup>5</sup> in the Affected Service Area.

The Affected Service Area is one of the most competitive areas in the country, and this Application thus presents a paradigmatic case for streamlined approval. The Affected Service Area is blanketed by three wireless networks offering both voice and broadband services. Cable companies and fiber providers have likewise deployed extensive wireline broadband networks throughout these wire centers. These providers offer the type of modern IP-based services that

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<sup>3</sup> This Application also includes the wholesale version of the Affected Service, which is sold to carrier customers.

<sup>4</sup> See *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Invest.*, Order, 40 FCC Rcd. 2019 (2025) (waiving the requirement to file applications to grandfather legacy voice services).

<sup>5</sup> AT&T Business Individual Access Line Service may also be called Measured Rate Business Service or AT&T Business Local Exchange Line Service.

customers crave but that POTS cannot deliver, which is why only about three percent of households in AT&T's incumbent service territory in California subscribe to POTS.<sup>6</sup>

The National Broadband Map confirms this competitive reality. Over 99.9 percent of serviceable locations in the 360 wire centers are covered by at least three facilities-based, terrestrial fixed broadband or mobile voice providers. And this is without even counting emerging satellite-based services that are increasingly capable of serving virtually everywhere.

Critically, *every* Affected Customer has an alternative: *all* can receive the AT&T Phone – Advanced (“AP-A”) service, which is not merely an adequate substitute for POTS, but superior to it.

And because this is the case, this Application abundantly satisfies the requirements for discontinuance as currently set forth in 47 C.F.R. §§ 63.71, 63.602.<sup>7</sup> The Commission has repeatedly granted AT&T discontinuance of the Affected Service on a streamlined basis for other AT&T wire centers.<sup>8</sup> In granting those applications, the Commission recognized each time that AP-A was an adequate replacement for residential POTS under the Adequate Replacement

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<sup>6</sup> AT&T calculates this figure by dividing the number of its residential POTS customers as of February 2026 by the latest U.S. Census Bureau estimate of the number of households in census block groups overlapping AT&T's California service territory. *See Household Income in the Past 12 Months (in 2024 Inflation-Adjusted Dollars)*, U.S. Census Bureau, [https://data.census.gov/table/ACSDT5Y2024.B19001?q=B19001&g=040XX00US06\\$1500000](https://data.census.gov/table/ACSDT5Y2024.B19001?q=B19001&g=040XX00US06$1500000) (last visited May 15, 2026).

<sup>7</sup> AT&T files this Application under the Commission's existing rules, as the new rules adopted in the *Network Modernization Order* have not yet gone into effect (and likely will not have gone into effect if this Application is granted on a streamlined basis). However, this Application also independently satisfies the requirements of the Commission's new rules, as explained herein.

<sup>8</sup> *See* Section 63.71 Application of AT&T, WC Dkt. No. 24-220 (filed Nov. 1, 2024); *id.*, WC Dkt. No. 25-228 (filed July 15, 2025); *id.*, WC Dkt. No. 25-333 (filed Dec. 1, 2025).

Test outlined in the Commission’s 2016 *Tech Transitions Order*.<sup>9</sup> As with AT&T’s previously approved discontinuance applications, discontinuing the Affected Service here will benefit the public and serve as an important step toward meeting AT&T’s and the Commission’s shared goal of advancing next-generation communication technologies.<sup>10</sup>

AT&T’s request for streamlined treatment of this Application rests upon the availability of AP-A—an “Adequate Replacement” service—to all Affected Customers. However, as noted, this is only one of many alternatives available. Affected Customers are also served by one or more “facilities-based mobile wireless” providers, including Verizon, whose mobile voice service the Commission recently found to be an adequate replacement for POTS.<sup>11</sup> Likewise, as noted, Affected Customers will also continue to be able to obtain voice service using the broadband connections provided by cable, fiber, fixed wireless, and satellite providers.

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<sup>9</sup> See generally *Tech. Transitions*; et al., Declaratory Ruling, Second Report and Order, and Order on Reconsideration, 31 FCC Rcd. 8283 (2016) (“*Tech Transitions Order*”).

<sup>10</sup> See, e.g., *Network Modernization Order* ¶ 1; *Reducing Barriers to Network Improvements and Service Changes* et al., Notice of Proposed Rulemaking, 40 FCC Rcd. 5329, 5391, Statement of Chairman Brendan Carr (2025) (“We are looking to unleash the private sector to build the modern networks of the future and ensure that providers are no longer forced to invest billions of dollars in aging technology.”); FCC, *Connecting America: The National Broadband Plan*, at 59 (Mar. 16, 2010), <https://transition.fcc.gov/national-broadband-plan/national-broadband-plan.pdf> (“requir[ing] certain carriers to maintain POTS ... is not sustainable—and ... can have a number of unintended consequences, including siphoning investments away from new networks and services”).

<sup>11</sup> Section 63.71 Application (filed May 16, 2025), in *Section 63.71 Application of Qwest Corporation d/b/a CenturyLink QC*, WC Docket. No. 25-177. AT&T’s and T-Mobile’s mobile voice services do not differ from Verizon’s in any way relevant to the Adequate Replacement Test and, as a practical matter, should also be considered adequate replacements for POTS service as well. In all events, the *Network Modernization Order* has conclusively determined that facilities-based mobile wireless service is an adequate replacement service. See *Network Modernization Order* ¶ 34.

Given that virtually all voice customers in the Affected Service Area have switched to these superior alternatives, AT&T now seeks to discontinue the Affected Service in the Affected Service Area so that it can redeploy its resources towards its next-generation fiber and wireless networks and services.

Streamlined approval of this Application will demonstrate that the Commission has succeeded in cutting the “red tape that has both required providers to keep aging copper lines in place and effectively prevented them from investing in the modern infrastructure that Americans want and deserve.”<sup>12</sup> It will also serve as the predicate for preempting California’s outdated regulatory regime that “needlessly constrain[s] the deployment of modern, next-generation IP-based networks.”<sup>13</sup> With last-century “Carrier of Last Resort” (“COLR”) rules, California requires AT&T to continue offering POTS throughout its territory. But once the Commission has authorized discontinuance, AT&T may proceed to do so without securing “any other approval.”<sup>14</sup>

## **APPLICATION**

### **I. AT&T Satisfies The Adequate Replacement Test**

#### **A. AP-A Satisfies the Adequate Replacement Test**

When the Commission adopted the Adequate Replacement Test in 2016, it noted that “a repeat applicant for a 214 discontinuance application in the technology transition context can rely on its successful certification of compliance with all three prongs of the Adequate Replacement Test in a previously approved application involving a substantially similar

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<sup>12</sup> *Network Modernization Order* ¶ 1.

<sup>13</sup> *Id.* ¶ 7.

<sup>14</sup> *Id.* ¶ 114.

service.”<sup>15</sup> A “substantially similar service” is defined as “one offered by the same applicant relying on the same technology and utilizing a comparable network infrastructure.”<sup>16</sup> Both prongs are met here. In this Application, AT&T relies on AP-A, which the Commission previously found to satisfy the Adequate Replacement Test, as an adequate replacement for POTS.<sup>17</sup> AP-A in the Affected Service Area uses “a comparable”—in fact, the same—network architecture as in the previously approved applications.

AP-A is available to all Affected Customers. As reflected in the FCC National Broadband Map – Mobile, AT&T’s LTE network covers all Affected Customers.<sup>18</sup> AP-A uses AT&T’s LTE network for connectivity; therefore, AP-A is available to all Affected Customers.<sup>19</sup> Because the Commission previously found AP-A to be an adequate replacement for the Affected Service, and because AP-A is available to all Affected Customers, it is an adequate replacement for the Affected Service in the Affected Service Area.<sup>20</sup>

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<sup>15</sup> *Tech Transitions Order* ¶ 82. The Commission noted at the time that “[t]his approach should go a long way to addressing incumbent LEC concerns that the adoption of new requirements for section 214 discontinuances will slow technology transitions.” *Id.* ¶ 83.

<sup>16</sup> *Id.* ¶ 82.

<sup>17</sup> *See* n.9, *supra*.

<sup>18</sup> *See* FCC, *FCC National Broadband Map*, <https://broadbandmap.fcc.gov> (last visited May 15, 2026). AT&T relied on the LTE “voice” coverage depicted on the National Broadband Map to provide the most accurate depiction of AP-A coverage given its low bandwidth and given it sits in a fixed location.

<sup>19</sup> AP-A can work over any kind of Internet connection, but it primarily operates over AT&T’s LTE network.

<sup>20</sup> In addition to AT&T’s own mobile service, as noted above, Verizon’s mobile wireless service also would constitute an adequate replacement service for Affected Customers, but AT&T does not rely on that service in making the showing necessary for streamlined treatment of this Application.

**B. Other Alternatives Are Also Widely Available and Support Discontinuance**

Although not required to approve this Application, the Affected Customers have numerous options beyond AP-A.

*Mobile Wireless Service.* There are over 390 million mobile retail voice lines in the United States, which represent approximately 83 percent of all voice lines.<sup>21</sup> Californians, like most Americans, overwhelmingly rely on mobile wireless service. As of three years ago, over three quarters of California adults relied *exclusively* on their mobile phones.<sup>22</sup> That fraction likely has increased, given prevailing trends.

The predominance of mobile wireless substitution stems from the near-ubiquitous availability of mobile networks in the country and in California specifically. In addition to AT&T's own mobile service, Verizon and T-Mobile blanket AT&T's legacy incumbent service area with mobile service that qualifies as an "adequate replacement service."<sup>23</sup> Individually, AT&T's LTE mobile service reaches *all* Affected Customers, as well as approximately 99.9 percent of locations in the 360 wire centers. But virtually all of these locations also have access to Verizon or T-Mobile (or both) as well. Collectively, approximately 99.9 percent of Affected

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<sup>21</sup> See FCC, *Voice Telephone Services Report: Status as of June 30, 2025*, at 2 fig. 1 (May 2026), <https://docs.fcc.gov/public/attachments/DOC-421558A1.pdf> ("*Voice Telephone Services Report*").

<sup>22</sup> See Nat'l Ctr. for Health Stat., *National Health Interview Survey Early Release Program 1* (2025), [https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless\\_state\\_202506.pdf](https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless_state_202506.pdf) (finding that, as of 2023, California adults relied exclusively (76.6 percent) or mostly (14.7 percent) on their wireless phones and that 3.8 percent relied equally on their wireless phones and landline (*i.e.*, POTS or broadband VoIP); only 1.7 percent of California adults were "landline-only" and only 1.9 percent were "landline-mostly").

<sup>23</sup> See n.11, *supra*.

Customers and approximately 99.9 percent of serviceable locations in the 360 wire centers have access to at least two of the national mobile wireless providers.<sup>24</sup>

***IP-Enabled Fixed Offerings.*** Customers in AT&T’s California service territory also enjoy many other cost-effective options for voice service, including offerings provided over cable, fiber, and fixed wireless services. Indeed, approximately 99.7 percent of serviceable locations in the 360 wire centers have access to one or more facilities-based fixed broadband providers, and approximately 96 percent have access to two or more.<sup>25</sup> The Commission has recognized that facilities-based interconnected VoIP services have “brought advanced communications services to the marketplace to the benefit of consumers,” ensuring robust competition for voice services wherever broadband is available.<sup>26</sup>

Enabled by the expansion of fixed broadband networks, interconnected VoIP has become the predominant fixed voice offering. It accounted for approximately 80 percent of all retail fixed voice service connections as of June of 2025.<sup>27</sup> Interconnected VoIP services bundled with broadband are often comparably priced or cheaper than POTS.<sup>28</sup>

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<sup>24</sup> Declaration of Sandra Charneski ¶¶ 10–11 (“Charneski Decl.”) (attached as Exhibit 1 to AT&T Forbearance Petition).

<sup>25</sup> Charneski Decl. ¶ 10.

<sup>26</sup> *Network Modernization Order* ¶ 43 (internal quotation marks omitted) (quoting *Numbering Policies for Modern Commc’ns*; et al., Second Report and Order and Second Further Notice of Proposed Rulemaking, 38 FCC Rcd 8951, ¶ 1 (2023)).

<sup>27</sup> *Voice Telephone Services Report* at 3 fig. 2.

<sup>28</sup> *Compare Xfinity Internet Plans, Deals and Promotions*, BroadbandNow, <https://broadbandnow.com/XFINITY-deals> (last visited May 15, 2026) (Comcast bundled VoIP and Internet start at \$40/month), and *Get Our Best Bundle*, Cox Authorized Retailer, <https://www.coxbundledeals.com/> (last visited May 15, 2026) (Cox VoIP service is priced at \$20/month when purchased as part of a bundle), with *Home Phone Service*, AT&T, <https://www.att.com/home-phone/landline/> (last visited May 15, 2026) (AT&T traditional home phone priced at around \$63/month).

Cable providers such as Comcast, Charter, and Cox collectively have far surpassed AT&T as the leading wireline provider in California<sup>29</sup> and use their broadband networks to offer VoIP services that directly compete with legacy POTS.<sup>30</sup> As a result, VoIP connections in California substantially outnumber traditional POTS connections.<sup>31</sup>

Mobile wireless networks also enable fixed wireless offerings capable of supporting voice service. Fixed wireless service now reaches more households nationwide than cable broadband.<sup>32</sup> Combined, T-Mobile and Verizon served more than 14 million fixed wireless subscribers nationwide by the end of 2025—a more than 15-fold increase from just four years ago.<sup>33</sup> AT&T has also begun expanding its fixed wireless offering in nearly every state and now

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<sup>29</sup> See FCC, *FCC National Broadband Map*, <https://broadbandmap.fcc.gov/data-download/data-by-provider?version=jun2025&pubDataVer=jun2025> (last visited May 15, 2026) (showing Charter, Comcast, and Cox offer wireline service at 9.3 million combined locations to AT&T’s 6.5 million).

<sup>30</sup> See *Comcast XFINITY® Voice: Residential*, xfinity, <https://www.xfinity.com/corporate/about/phonetermsofservice/comcastdigitalvoice/cdvresidential1> (last visited May 15, 2026); *Spectrum Voice*, Spectrum, <https://www.spectrum.com/home-phone> (last visited May 15, 2026); *Cox Voice Preferred Home Phone*, Cox, <https://www.cox.com/residential/phone.html> (last visited May 15, 2026).

<sup>31</sup> See *Voice Telephone Services Report* at 12 (as of June 30, 2025, there were roughly 489,000 consumer-grade switched access voice connections and 2,199,000 consumer-grade interconnected VoIP connections in California); see also FCC, *Voice Telephone Services Report – State Subscriptions as of June 30, 2025* (May 2026), [https://www.fcc.gov/sites/default/files/VTS\\_State\\_Subscriptions\\_J24\\_to\\_J25.xlsx](https://www.fcc.gov/sites/default/files/VTS_State_Subscriptions_J24_to_J25.xlsx).

<sup>32</sup> *2024 Commc’ns Marketplace Rep.*, 39 FCC Rcd. 14116, 14125 fig. II.A.4 (2024).

<sup>33</sup> See Verizon, *Verizon Financial and Operating Information*, at 9 (Apr. 27, 2026), <https://www.verizon.com/about/investors/quarterly-reports/1q-2026-earnings-conference-call-webcast> (reporting over 6 million fixed wireless subscribers for Q1 2026); T-Mobile, *T-Mobile Delivers Best-in-Class Customer Results in Q4, Translating into Durable and Profitable Financial Growth Driven by Widening Differentiation* (Feb. 11, 2026), [https://s29.q4cdn.com/310188824/files/doc\\_financials/2025/q4/Q4-2025-Earnings-Release.pdf](https://s29.q4cdn.com/310188824/files/doc_financials/2025/q4/Q4-2025-Earnings-Release.pdf) (reporting over 8.4 million 5G broadband customers); *T-Mobile US Inc. Earnings Call*, at 3 (Apr. 28, 2026), [https://s29.q4cdn.com/310188824/files/doc\\_financials/2026/q1/TMUS-USQ\\_Transcript\\_2026-04-28.pdf](https://s29.q4cdn.com/310188824/files/doc_financials/2026/q1/TMUS-USQ_Transcript_2026-04-28.pdf) (reporting adding more than 500,000 net broadband customers

has over 2.3 million subscribers.<sup>34</sup> Again, these networks blanket AT&T’s California service territory and cover the vast majority of AT&T’s California POTS customers.

**Satellite.** Finally, Affected Customers also can purchase VoIP services that run on top of satellite broadband connections. While the Commission has not yet recognized satellite as an “adequate replacement service,” it has observed that satellite may be a “widely available alternative.”<sup>35</sup> As the Commission has recognized, satellite is quickly emerging as an “innovative new [voice] service offering[.]”<sup>36</sup> Indeed, Starlink, Amazon LEO, Globalstar, and AST SpaceMobile are deploying and swiftly expanding their fleets of satellites in low-earth orbit (“LEO”) to offer voice and broadband service.<sup>37</sup> Satellite broadband speed and latency are

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for Q1 2026); Monica Allevan, *T-Mobile, Verizon FWA Subs Take Center Stage in Q1 Forecasts*, Fierce Network (Apr. 15, 2022), <https://www.fierce-network.com/wireless/t-mobile-verizon-fwa-takes-center-stage-q1-forecasts> (Verizon ended 2021 with 228,000 fixed wireless subscribers while T-Mobile ended 2021 with 646,000 fixed wireless subscribers).

<sup>34</sup> AT&T, *Financial and Operational Schedules & Non-GAAP Reconciliations*, at 6 (Apr. 22, 2026), [https://investors.att.com/~/\\_media/Files/A/ATT-IR-V2/financial-reports/quarterly-earnings/2026/1Q-2026/1Q26\\_ATT\\_Financial\\_and\\_Operational\\_Schedules\\_and\\_Non\\_GAAP\\_Reconciliations.pdf](https://investors.att.com/~/_media/Files/A/ATT-IR-V2/financial-reports/quarterly-earnings/2026/1Q-2026/1Q26_ATT_Financial_and_Operational_Schedules_and_Non_GAAP_Reconciliations.pdf).

<sup>35</sup> *Network Modernization Order* ¶ 39 (“Permitting third-party alternative voice service with access to 911 and substantially similar levels of network performance and availability as the service being discontinued to serve as a replacement service will enable innovative new service offerings, such as low-earth orbit satellite-based services, to qualify as replacement services without requiring the Commission to engage in additional time-consuming rulemaking proceedings . . .”).

<sup>36</sup> *Id.*

<sup>37</sup> See, e.g., Starlink, *Progress Report 2024*, at 3 (2024), [https://starlink.com/public-files/starlinkProgressReport\\_2024.pdf](https://starlink.com/public-files/starlinkProgressReport_2024.pdf) (“In just over five years, SpaceX designed, deployed, and activated high-quality internet, which is now available for over 2.8 billion people around the world.”); Martyn Wingrove, *Second ULA Launch Doubles Amazon’s Kuiper Satellite Fleet*, Riviera (July 8, 2025), <https://www.rivieramm.com/news-content-hub/news-content-hub/second-ula-launch-doubles-amazon-kuiper-satellite-fleet-85363> (reporting that, in June 2025, Amazon’s LEO constellation doubled to 54); *Globalstar To Enter Next Era of Mobile Satellite Connectivity with Expanded Operational Frequencies*, Globalstar (Sept. 15, 2025), <https://investors.globalstar.com/news-releases/news-release-details/globalstar-enter-next-era->

rapidly improving with LEO technology.<sup>38</sup> For example, Starlink has substantially increased its median upload and download speeds in the United States to 104.71/14.84 Mbps in 2025 and currently has the ability to deliver broadband speeds of 100/20 Mbps.<sup>39</sup> Recent Starlink updates have further “reduce[d] latency through laser-based inter-satellite links,” and Starlink can now “deliver[] latency as low as 12 milliseconds”—which not only is sufficient for real-time voice service but also can “mak[e] real-time applications like video calls and cloud gaming viable almost anywhere on Earth.”<sup>40</sup>

BEAD eligibility and funding for LEO mean that satellite VoIP’s presence across the Affected Service Area will increase and that more locations will have access to satellite VoIP.

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[mobile-satellite-connectivity-expanded/](#) (announcing the deployment of its third-generation mobile satellite system, “which will include 48 additional satellites supported by approximately 90 new ground station antennas installed globally” and will provide service over the Big LEO frequency bands); AST Space Mobile, <https://ast-science.com/spacemobile-network/> (announcing the ongoing launches of its Next-Gen Bluebird satellites, which will provide coverage for millions of daily connections such as voice and video calls, texts, and streaming and advertising its already-deployed satellites, which are ready to deliver broadband to billions of users worldwide). In addition, Viasat, which offers voice and broadband services, is partnering with LEO satellite operators to enhance its capabilities. *See Viasat Voice*, Viasat, <https://www.viasat.com/isg/voice/> (last visited May 15, 2026); *European Space Agency (ESA) and Viasat Partner on D2D*, Viasat (Jan. 28, 2025), <https://www.viasat.com/news/latest-news/corporate/2025/european-space-agency--esa--and-viasat-partner-on-d2d/>.

<sup>38</sup> *See* Mateusz Kaczmarek, *Satellite vs. Fiber Internet: The 2025 Latency & Bandwidth Showdown*, TechStock 2 (June 4, 2025), <https://ts2.tech/en/satellite-vs-fiber-internet-the-2025-latency-bandwidth-showdown/> (“Satellite internet (particularly modern LEO-based) has greatly improved and is now capable of supporting everyday activities—including streaming and video calls—that were once very challenging on satellite.”).

<sup>39</sup> Sue Marek, *Starlink’s U.S. Performance Is on the Rise, Making It a Viable Broadband Option in Some States*, Ookla (June 10, 2025), <https://www.ookla.com/articles/starlink-us-performance-2025>.

<sup>40</sup> Glanze Patrick, *Starlink Global Coverage Expands as Satellite Improves Internet Speed and Lower Latency*, Tech Times (Dec. 23, 2025), <https://www.techtimes.com/articles/313567/20251223/starlink-global-coverage-expands-satellite-improves-internet-speed-lower-latency.htm>.

Indeed, over 40 percent of locations that received BEAD funding in California are slated for LEO satellite deployment, with SpaceX and Amazon the two largest winners by locations overall.<sup>41</sup> As satellite broadband continues to improve and proliferate, it will be increasingly important in the broadband ecosystem, including for voice applications, and will make POTS irrelevant even in remote areas.

## **II. Additional Information Required By 47 C.F.R. §§ 63.71, 63.602 And 63.505**

As required by sections 63.71, 63.602, and 63.505 of the Commission's rules, AT&T provides the following additional information:

### **Name and Address of Carrier:**

Pacific Bell Telephone Company d/b/a AT&T California.

The address for purposes of this application is:

430 Bush Street, Sixth Floor  
San Francisco, CA 94108

### **Date of Planned Service Discontinuance:**

Effective on or after June 1, 2027, pending regulatory approval, AT&T's Affected Service will be discontinued.

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<sup>41</sup> Cal. Pub. Utils. Comm'n, *California BEAD Final Proposal – Deployment Projects*, [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/broadband-implementation-for-california/bead/final-proposal/appendix-b---data-files-excel/final/fp\\_deployment\\_projects.csv](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/broadband-implementation-for-california/bead/final-proposal/appendix-b---data-files-excel/final/fp_deployment_projects.csv) (last visited May 15, 2026); Jake Neenan, *California Announces Grant Winners with BEAD Final Proposal*, BroadbandBreakfast (Dec. 3, 2025), <https://broadbandbreakfast.com/california-announces-grant-winners-with-bead-final-proposal/>.

**Points of Geographic Areas of Service Affected and Description of the Affected Service Area:**

AT&T plans to discontinue the Affected Service in the Affected Service Area in California. Exhibit 1 identifies the list of AT&T wire centers in California that include any service areas that fall within the Affected Service Area.

**Brief Description of the Type of Service Affected:**

AT&T plans to discontinue AT&T Residential Local Service in the Affected Service Area. AT&T Residential Local Service is a TDM-based exchange access line service. It includes the serving central office line equipment and all outside plant facilities needed to connect that office with the network interface at the demarcation point of the customer premises. The service includes optional custom calling features and the End User Common Line service, which allows the line to facilitate local exchange, intrastate interexchange, and interstate voice calling.

**Brief Description of the Dates and Method of Notice to All Affected Customers:**

Customer notices were sent via U.S. Mail on May 20, 2026.<sup>42</sup> Copies of this Application are being sent via first class U.S. Mail to the governor, public utility commission, and federally recognized tribes (if any) in the Affected Service Area, and to the Special Assistant for Telecommunications to the Secretary of War, as required by section 63.71(a) of the Commission's rules.<sup>43</sup>

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<sup>42</sup> A representative template notice to residential customers is attached at Exhibit 2. Also attached at Exhibit 2 is a representative notice letter to wholesale customers of the Affected Service. *See* n.3, *supra*. These notices also notified customers of AT&T's intent to grandfather the Affected Service in the wire centers included in this Application effective July 19, 2026. Because the Commission has waived the requirement to file applications to grandfather legacy services, this Application does not address this grandfathering action. *See* n.4, *supra*.

<sup>43</sup> Section 63.71(a) directs applicants to submit a copy of the application to the Secretary of Defense (now Secretary of War), Special Assistant for Telecommunications. However, due to restructuring within the Department of Defense, that position no longer exists. Commission staff

**Regulatory Classification of Carrier:**

AT&T offers the Affected Service pursuant to non-dominant carrier regulation.

**Public Convenience and Necessity:**

As explained in the Introduction, the public convenience and necessity will be advanced, not impaired, by the discontinuance of the Affected Service. The demand for the Affected Service is very low, and it is not economically rational for AT&T to continue to provide it. As the Commission's recent *Network Modernization Order* recognizes, "incumbent LECs now hold[] a minority share of the voice services market."<sup>44</sup> That is true in AT&T's incumbent service territory in California, where only about three percent of households continue to subscribe to AT&T's POTS.

Today, only a small fraction of Californians rely exclusively on landline service, while the overwhelming majority rely at least as much on mobile wireless phones.<sup>45</sup> Moreover, customers of the Affected Service have many voice alternatives to choose from, including services already found to be adequate replacements for POTS, such as AP-A and Verizon's mobile wireless service. Customers also have access to other wireless services available from T-Mobile and AT&T, in particular.

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has advised that a copy of the application be sent instead to the Department of Defense Chief Information Officer.

<sup>44</sup> *Network Modernization Order* ¶ 9.

<sup>45</sup> *See* n.22, *supra*.

**Statement Identifying the Application as a Technology Transition (47 C.F.R. § 63.602(a)(2)):**

The proposed discontinuance constitutes a “technology transition”<sup>46</sup> because Affected Customers will be required to replace their TDM-based voice service with a different technology or transmission medium when AT&T discontinues legacy voice service in this area, as there is no other TDM-based voice service available in the Affected Service Area.

**Information Regarding the Price of the Service for Which Discontinuance Is Sought and the Price of the Proposed Replacement Service (47 C.F.R. § 63.602(a)(3)):**

The price of AT&T Residential Local Service in California is \$50 per month, plus taxes, surcharges, and fees. AP-A for consumers is available for \$45 per month, plus taxes, surcharges, and fees.

Customers also will realize substantial cost savings from AP-A’s interoperability with legacy technologies and peripherals, which enables customers to extend the useable lifespan of their TDM-based devices.

**Certification That the Information Submitted in This Application Is True and Accurate (47 C.F.R. § 63.602(a)(4)):**

See the attached certification of authorized AT&T representative Susan Johnson at Exhibit 3.

**Applicable Tariff Listing (47 C.F.R. § 63.505(e)):**

AP-A is not a tariffed service.

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<sup>46</sup> See 47 C.F.R. § 63.60(i) (defining a technology transition as “any change in service that would result in the replacement of a wireline TDM-based voice service with a service using a different technology of medium for transmission to the end user, whether internet Protocol (IP), wireless, or another type”).

**Name of Any Other Carrier or Carriers Providing Telephone Service to the Community (47 C.F.R. § 63.505(g)):**

As set forth above, a number of competitors offer voice services to some or all of the Affected Service Area via cable, fiber, fixed wireless, satellite, CMRS, or over-the-top services.

**Description of Any Previous Discontinuance, Reduction, or Impairment of Service to the Community Affected by the Application (47 C.F.R. § 63.605(j)):**

AT&T will grandfather the Affected Service in the Affected Service Area.<sup>47</sup>

**Number of Toll Messages (47 C.F.R. § 63.505(l)):**

The amount of toll traffic on AT&T's entire network has steadily decreased as its legacy voice customers have migrated to other wireline and wireless voice service providers. Toll traffic in the Affected Service Area is likely consistent with this overall trend, although AT&T does not track the monthly number of toll messages or toll revenues in the Affected Service Area.

**III. The Application Also Satisfies The Requirements Of New Rule 63.71(f)**

AT&T has filed this Application under the Commission's existing rules. The revised rules that the Commission adopted in the *Network Modernization Order* contain new or modified information collection requirements, and they are currently subject to Office of Management and Budget (OMB) review and are not yet effective.<sup>48</sup> However, as the Commission generally simplified the standards for technology transition discontinuance, AT&T's Application generally satisfies the new rules the Commission has adopted.<sup>49</sup>

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<sup>47</sup> See n.4, *supra*.

<sup>48</sup> *Network Modernization Order* ¶ 120.

<sup>49</sup> As explained below, however, AT&T is providing the notice to its customers required by existing Rule 63.71(a).

In this Application, AT&T relies on AP-A, which is a “facilities-based interconnected VoIP service” under new Rule 63.71(f)(2)(i).<sup>50</sup> AP-A meets all the definitional requirements of such a service under Rule 9.3.<sup>51</sup> Furthermore, as explained above, the Commission previously found that AP-A satisfied the Adequate Replacement Test under the 2016 *Technology Transitions Order*, as an adequate replacement for POTS.<sup>52</sup> AP-A in the Affected Service Area uses the same network architecture as in the prior, approved applications. As such, it is a “facilities-based interconnected VoIP service” under new Rule 63.71(f)(2)(i). Likewise, as reflected in the FCC’s National Broadband Map – Mobile, AT&T’s LTE network covers all Affected Customers.<sup>53</sup> Because AP-A primarily operates over AT&T’s LTE network, AP-A is available to all Affected Customers.

Moreover, while AP-A alone constitutes an adequate replacement, customers of the Affected Service can choose from many other alternatives for voice service. These include Verizon’s mobile wireless service—a service already found to be an adequate replacement for POTS—as well as other wireless services, particularly from T-Mobile and AT&T.<sup>54</sup> AT&T’s mobile wireless service is a “facilities-based mobile wireless service” operating at the speeds of at least 5 Mbps download and 1 Mbps upload required under Rule 63.71(f)(2)(ii). Indeed, in the

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<sup>50</sup> *Network Modernization Order*, app. A.

<sup>51</sup> 47 C.F.R. § 9.3 (defining “Interconnected VoIP service”).

<sup>52</sup> *See* n.9, *supra*.

<sup>53</sup> *See* n.18, *supra*.

<sup>54</sup> *See* n. 11, *supra* (“AT&T’s and T-Mobile’s mobile voice services do not differ from Verizon’s in any way relevant to the Adequate Replacement Test and, as a practical matter, should also be considered adequate replacements for POTS service as well. In all events, the *Network Modernization Order* has conclusively determined that facilities-based mobile wireless service is an adequate replacement service. *See Network Modernization Order* ¶ 34.”).

360 wire centers, virtually all Affected Customers have access to at least two facilities-based mobile wireless services available.

In addition, AT&T's notice satisfies new Rule 63.71(j), which requires notice to existing customers that AT&T is grandfathering a service they currently receive.<sup>55</sup> As described above, AT&T has sent notices to existing customers to effectuate grandfathering in the wire centers included in this Application.

AT&T also has complied with the notice provisions of Rule 63.71(a), including the statement describing the objection process contained in existing Rule 63.71(a)(5). As described above, customer notices were sent via U.S. Mail on May 20, 2026. Copies of this Application are being sent via first class U.S. Mail to the governor, public utility commission, and federally recognized tribes (if any) in the Affected Service Area, and to the Special Assistant for Telecommunications to the Secretary of War, as required by new Rule 63.71(a).<sup>56</sup>

\* \* \*

Questions about this application may be addressed to Meredith Williams, AT&T Services, Inc., AVP – Federal Regulatory, 601 New Jersey Ave NW, Suite 650, Washington, DC, (202) 227-9725.

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<sup>55</sup> See *Network Modernization Order*, app. A (“Such notice shall include (i) an approximate date by which it intends to seek to permanently discontinue the service, and (ii) a statement regarding alternative services available in the affected service area.”).

<sup>56</sup> See n.43, *supra*.

## CONCLUSION

For the reasons identified above, the public convenience and necessity will not be adversely affected by the discontinuance of the Affected Service. AT&T respectfully requests the Commission approve its section 63.71 Application to discontinue services.

By: /s/ Brett Farley

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May 20, 2026

# **Exhibit 1**

## List of Affected Wire Centers

*Sections of California:* Certain areas currently served by the following wire centers:

Albany-Solano (ALBYCA11), Alhambra (ALHBCA01), Anaheim-Lemon (ANHMCA01),  
Anaheim-Cypress (ANHMCA11), Anaheim-La Palma (ANHMCA12), Antioch (ANTCCA11),  
Arcadia (ARCDCA11), Arcata (ARCTCA11), Aromas (ARMSCA11), Anderson (ARSNCA11),  
Arlington (ARTNCA11), Arvin (ARVNCA11), Atwater (ATWRCA12), Avenal (AVNLCA12),  
N Tahoe Brockway (BCWYCA11), Beale-Msvl Sterling (BEALCA11), Bell (BELLCA11),  
Biggs (BGGSCA11), Bakersfield-Empire (BKFDCA11), Bakersfield-Main (BKFDCA12),  
Bakersfield-Columbus (BKFDCA13), Bakersfield-Temple (BKFDCA14), Bakersfield-Mettler  
(BKFDCA15), Bakersfield-West (BKFDCA17), Bakersfield-Nomad (BKFDCA19), Berkeley-  
Bancroft (BKLYCA01), Benicia (BNCICA11), Ben Lomond (BNLMCA11), Buena Park  
(BNPKCA11), Burbank-Palm (BRBNCA11), Bradley (BRDLCA90), Brea (BREACA12),  
Burlingame (BRLNCA01), Brentwood (BRWDCA12), Brawley (BRWLCA11), Bishop Ranch  
(BSRNCA70), Butte City (BTCYCA11), Bethel Island (BTISCA11), Burrel (BURLCA11),  
Beverly Hills (BVHLCA01), Bear Valley (BVLYCA11), Bear Valley Springs (BVSPCA11),  
Cobb Mountain (CBMTCA11), Chualar (CHLRCA11), Chula Vista-Third Avenue  
(CHVSCA11), Chula Vista Apache (CHVSCA12), Chowchilla (CHWCCA11), Culver City  
(CLCYCA11), Calipatria (CLPTCA11), Calistoga (CLSTCA11), Clovis (CLVSCA11), Calexico  
(CLXCCA12), Compton (CMTNCA01), Concord (CNCRCA01), Colma (COLACA01),  
Cordelia (CORDCA12), Corona (CORNCA11), Colton (COTNCA11), Crockett (CRCTCA02),  
Corona Del Mar (CRDMCA11), Carlsbad-La Costa (CRLSCA12), Corning (CRNGCA12),  
Caruthers (CRTHCA11), Costa Mesa (CSMSCA11), Crows Landing (CWLDCA12), Coyote  
Wells (CYWLCA11), Danville (DAVLCA12), Tassajara (DAVLCA13), Davis (DAVSCA11),

Delano (DELNCA11), Dinuba (DINBCA01), Dixon (DIXNCA11), Del Mar (DLMRCA12), Del Rey (DLRYCA11), Dunnigan (DNGNCA12), Dunsmuir (DNSMCA11), El Cajon (ELCJCA11), El Centro (ELCNCA01), Rich-Appian Way (ELSBCA11), El Segundo-Douglas (ELSGCA12), El Toro (ELTRCA11), Encinitas (ENCTCA12), Earlimart (ERLMCA11), Escalon (ESCLCA11), Escondido (ESCNCA01), Esparto (ESPRCA11), Felton (FETNCA11), Flsm-Nimbus (FLSMCA12), Flsm-El Dorado (FLSMCA13), Fontana (FNTACA11), Firebaugh (FRBHCA11), Fremont-Main (FRMTCA11), Fair Oaks (FROKCA11), Fresno-Main (FRSNCA01), Fresno-Baldwin (FRSNCA11), Fresno-Clinton (FRSNCA12), Fresno-Sierra (FRSNCA13), Fresno-West (FRSNCA14), Fresno-Woodward (FRSNCA15), Farmersville (FRVLCA11), Fortuna (FTUNCA11), Fullerton (FUTNCA01), Five Points (FVPNCA11), Frazier Park (FZPKCA11), Galt (GALTCA11), Glendale (GLDLCA11), Gonzales (GNZLCA11), Gerber (GRBRCA11), Gridley (GRDLCA11), Gardena (GRDNCA01), Grenada (GRNDCA13), Goshen (GSHNCA11), Gustine (GUSTCA11), Geyserville (GYVLCA11), Herald (HERLCA11), Highland (HGLDCA11), Hughson (HGSNCA11), Holtville (HLVLCA11), Hollywood (HLWDCA01), Hamilton City (HMCYCA11), Homewood (HMWDCA11), Hanford (HNFRCA01), Huntington Park (HNPCKA01), Hopland (HPLDCA12), Huron (HURNCA11), Hayward-Depot Ct (HYWRCA11), Ignacio (IGNCCA12), Imperial (IMPRCA11), Ione (IONECA11), Irvine-Main (IRVNCA01), Irvine-Spectrum (IRVNCA12), Ivanhoe (IVNHCA11), Jamul (JAMLCA60), Jackson (JCSNCA01), Kingsburg (KGBGCA11), Kelseyville (KLVLC12), Knights Ferry (KNFYCA11), Kyburz (KYBRCA11), La Canada-Oak Grove (LACNCA11), La Crescenta (LACRCA11), La Jolla-Girard (LAJLCA11), La Mesa (LAMSCA01), Lamont (LAMTCA11), Laton (LATNCA11), Lockeford (LCFRCA11), Lebec-Main (LEBCCA11), Lemoore-Main (LEMRC11), Lemoore-Wyman

(LEMCA12), Lafayette (LFYTCA11), Laguna Niguel (LGNGCA12), Le Grand (LGRDCA11), La Grange (LGRNCA12), Lakeport (LKPTCA02), Lincoln (LNCLCA11), Lodi (LODICA01), Loleta (LOLTCA11), Loomis (LOMSCA11), Lomita (LOMTCA11), Larkspur (LRKSCA11), Lsan-Madison 02 (LSANCA02), Lsan-Madison 03 (LSANCA03), Lsan-Pleasant (LSANCA05), Lsan-Union (LSANCA06), Lsan-Airport (LSANCA07), Lsan-Melrose (LSANCA08), Lsan-Richmond (LSANCA09), Lsan-Webster (LSANCA10), Lsan-Rampart (LSANCA11), Lsan-Normandy (LSANCA12), Lsan-Plymouth (LSANCA13), Lsan-Adams (LSANCA14), Lsan-Axminster (LSANCA15), Lsan-Capitol (LSANCA23), Lsan-Sunset (LSANCA29), Lsan-Angelus (LSANCA34), Lsan-Montebello (LSANCA35), Lsan-Republic (LSANCA38), Los Banos (LSBNCA12), Los Molinos (LSMLCA11), Live Oak (LVOKCA11), Madera-Bonadelle (MADRCA12), Marina (MARNCA11), Modesto-Main (MDSTCA02), Modesto-Kellog (MDSTCA03), Modesto-Kingswood (MDSTCA04), Modesto-Tally (MDSTCA05), Modesto-Davis (MDSTCA52), Middletown (MDTWCA11), Mokelumne Hill (MKHLCA12), Mckinleyville (MKVLCA11), Millbrae (MLBRCA11), Mendota (MNDTCA11), Mojave (MOJVCA01), Moraga (MORGCA12), Merced (MRCDCA01), Meridian (MRDNCA11), Moorpark (MRPKCA12), Mission Viejo (MSVJCAAT), Mountain Pass (MTPSCA11), Monterey (MTRYCA01), Mt Shasta (MTSHCA12), Mountain View (MTVWCA11), Marysville (MYVICA01), Nicolaus (NCLSCA12), Newhall (NHLLCA01), Nhwd-Lankershim (NHWDCA01), Nhwd-Magnolia (NHWDCA02), Nice (NICECA11), Niland Main (NILDCA11), Niland Bombay Beach (NILDCA12), Nipomo (NIPMCA11), Northridge (NORGCA11), Nscr-Wabash (NSCRCA11), Nscr-North Natomas (NSCRCA12), National City-Highland (NTCYCA11), Newcastle (NWCSCA11), Newman (NWMNCA12), Oceanside-Mission (OCSDCA11), Oakdale (OKDLCA11), Okld-45Th (OKLDCA11), Okld-Holly

(OKLDCA12), Okld-Mountain (OKLDCA13), Oakley (OKLYCA11), Orange Cove (ORCVCA11), Orland (ORLDCA11), Orinda (ORNDCA11), Orange-Chapman (ORNGCA11), Orange-Olive (ORNGCA13), Orosi (ORSICA11), Orangevale (ORVACA11), Otay Mesa (OTMSCA11), Pacifica (PCFCCA11), Pedley (PDLYCA11), Palo Alto-Main (PLALCA02), Palo Alto-South (PLALCA12), Pleasant Grove (PLGVCA12), Planada (PLNDCA11), Pleasanton-Main (PLTNCA12), Pleasanton-Hacienda (PLTNCA13), Placerville-Main (PLVLCA11), Pepperwood (PPWDCA11), Paradise-Main (PRDSCA11), Parlier (PRLRCA11), Paramount (PRMTCA01), Pittsburg-Main (PSBGCA01), Pittsburg-Willow (PSBGCA11), Pismo Beach (PSBHCA11), Pixley (PXLYCA11), Rancho Bernardo (RBRNCA11), Rocklin 11 (RCKLCA11), Richmond (RCMDCA11), Richvale (RCVACA11), Redwood City (RDCYCA01), Redding-Main (RDNGCA02), Redding-Enterprise (RDNGCA11), Rio Dell (RIDECA11), RIo Linda (RILNCA12), Rialto (RILTCA11), Rancho Murieta (RNMRC A11), Rancho Penasquitos (RNPSCA11), Rancho San Diego (RNSDCA11), Rosemead (ROSMCA11), Rancho Santa Fe (RSFECA12), Rosamond (RSMDCA11), Rohnert Park (RTPKCA11), Riverdale (RVDLCA11), Riverbank (RVRBCA11), Riverside-Orange (RVSDCA01), Riverside-Woodcrest (RVSDCA11), Santee (SANTCA01), Scrm-Main (SCRMCA01), Scrm-Garden (SCRMCA03), Scrm-Gladstone (SCRMCA11), Scrm-Empire (SCRMCA12), Scrm-Fruitridge (SCRMCA13), Scotts Valley (SCVYCA01), Selma (SELMCA11), Seaside (SESDCA11), South Gate (SGATCA01), Shingle Springs (SGSPCA11), Shafter (SHFTCA11), Sherman Oaks (SHOKCA01), Stockton-Main (SKTNCA01), Stockton-Granite (SKTNCA11), Stockton-Ashley (SKTNCA12), Stockton-Redwood (SKTNCA14), Soledad (SLDDCA11), Solamint (SLMNCA11), Salinas-Main (SLNSCA01), Salinas-Hickory (SLNSCA11), Salinas-Glenview (SLNSCA12), Moro (SLNSCA14), Silverado (SLVRCA11), Santa Ana-Bristol (SNANCA11),

Santa Ana-Bolsa (SNANCA12), San Carlos (SNCRCA11), Sndg-C Street (SNDGCA01), Sndg-University (SNDGCA02), Sndg-Linda Vista (SNDGCA03), Sndg-Saipan (SNDGCA05), Sndg-37Th Street (SNDGCA06), Sndg-College (SNDGCA11), Sndg-Market (SNDGCA12), Sndg-Regents (SNDGCA15), Sndg-Mira Mesa (SNDGCA16), Snfc-Mccoppin (SNFCCA04), Snfc-25Th Street (SNFCCA05), Snfc-Onondaga (SNFCCA06), Snfc-9Th Avenue (SNFCCA13), Snfc-3Rd Street (SNFCCA17), Snfc-Folsom St (SNFCCA21), Snfc-U C Med Center (SNFCCA64), San Gabriel (SNGBCA01), San Geronimo (SNGNCA11), San Jose-Main (SNJSCA02), San Jose-Chynoweth (SNJSCA13), San Jose-Foxworthy (SNJSCA14), San Jose-Junction Avenue (SNJSCA21), San Lucas (SNLCCA11), San Martin (SNMACA11), San Marcos (SNMCCA11), San Mateo (SNMTCA11), Milton (SNRACA13), San Rafael-Main (SNRFCA01), San Ramon (SNRMCA11), Space Park (SNTCCA01), Bellomy (SNTCCA11), Carroll (SNVACA01), Mathilda (SNVACA11), San Ysidro (SNYSCA12), South Pasadena-Mission (SPSDCA11), Stratford (SRFRCA11), South Tahoe-Tamarack (STAHCA12), South Tahoe-Meyers (STAHCA13), Suison City (SUISCA11), Thornton (THTNCA11), Tipton (TPTNCA11), Terra Bella (TRBLCA11), Turlock (TRLCCA11), Tulare (TULRCA11), Tustin-Main (TUSTCA11), Tustin-Redhill (TUSTCA70), Twain Harte (TWHRCA11), Union City (UNCYCA11), Vina (VINACA12), Visalia (VISLCA11), Vista (VISTCA12), Van Nuys (VNNYCA02), Ventura-Main (VNTRCA11), Valley Ford (VYFRCA11), Wasco (WASCCA01), Woodland (WDLCA11), Woodlake (WDLKCA11), Weed (WEEDCA01), Century City (WLANCA01), Walnut Creek (WNCKCA11), Windsor (WNDSCA11), Frontier (WSCRCA11), Waterford (WTFRCA11), Yorba Linda (YRLNCA11)

# **Exhibit 2**



May 20, 2026

<FIRSTNAME><LASTNAME>  
<ADDRESS>  
<CITY>,<STATE> <ZIP>-<PLUS4>

# Important Update About Your AT&T Home Phone Service

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Hi <First Name> or Hello, (if no first name available or UV\_22=Y)

At AT&T, we are always working to bring you the best connectivity in the industry. That's why we're upgrading home phone service in your area to a new, enhanced solution that's more reliable and affordable.

## Upgrading your home phone service:

Our customers are asking for faster and more reliable service, so we're upgrading our network in California to give you connectivity you can count on for everyday needs. California's aging copper network doesn't deliver the same level of service, quality and reliability as newer technology. Now, we have more ways to connect than ever before with newer, faster technology that is more reliable, energy efficient, and affordable. As we upgrade our network across the country, we're doing the same in California and delivering better technology for our customers across the state.

**As part of this transition, the home phone service<sup>1</sup> you're currently using will be discontinued on or after June 1, 2027.** We know how important it is to keep your phone number and stay connected, and we're here to make this transition as easy as possible for you.

We want to work with you to upgrade your home phone service to **AT&T Phone – Advanced**, which is designed to better support your essential needs and help keep your calling experience seamless. Visit [www.att.com/home-phone/phone-advanced](http://www.att.com/home-phone/phone-advanced) to learn more. Key benefits include:

- Keep your current home number
- Works with most existing home phones
- Comparable or in some cases less expensive than traditional home phone service
- Unlimited nationwide calling at no extra cost
- 911 location detection for added peace of mind
- Better reliability during power outages with 24-hour battery back up
- AT&T Call Protect, a service that helps block unwanted calls, including spam and fraud

<sup>1</sup>In the areas impacted by this notice, your home phone service is called AT&T Residential Local Service and is provided by Pacific Bell Telephone Company, d/b/a AT&T California. A complete list of impacted areas is attached.

### **Here's what you can expect over the next year:**

- We'll send additional information over the coming months regarding this transition and how you can upgrade to AT&T Phone – Advanced or AT&T Wireless.
- We'll no longer accept new orders for traditional home phone service in your area, effective on or after **July 19, 2026**. This means you won't be able to make changes to your existing service, including moving it to a different address.
- You will continue to be able to make phone calls using your existing service until on or after **June 1, 2027**, when we will stop providing service, pending FCC approval.

### **What are my next steps?**

We're ready to help you upgrade your AT&T service at any time before **June 1, 2027**, so you continue to have access to home phone service and 911. Please call **855.845.1472** Monday through Friday, 6:00 AM – 6:00 PM PST, and Saturday, 7:00 AM – 5:00 PM PST to understand your options for phone service from AT&T -- often for less than you pay today. For more information and answers to frequently asked questions, please visit [www.att.com/connectca](http://www.att.com/connectca).

Thank you for being a loyal AT&T customer. We look forward to continuing to serve you and providing a better and more reliable experience for your home phone service.

### **Your AT&T Team**

AT&T  
2260 E Imperial Highway  
Flr. 212b  
El Segundo, CA 90245-3501  
[www.att.com](http://www.att.com)

**We're required by the FCC to provide the following statement:**

The FCC will normally authorize this proposed discontinuance of service (or reduction or impairment) unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the Commission releases public notice of the proposed discontinuance. You may file your comments electronically through the FCC's Electronic Comment Filing System using the docket number established in the Commission's public notice for this proceeding, or you may address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington, DC 20554, and include in your comments a reference to the section 63.71 application of Pacific Bell Telephone Company, d/b/a AT&T California. Comments should include specific information about the impact of this proposed discontinuance (or reduction or impairment) upon you or your company, including any inability to acquire reasonable substitute service.

**Your language. Delivered. Plus 200 more. Call 855.845.1472**

致電 855.845.1472 獲取中文資訊。

でこの情報を得るには 855.845.1472 にお電話ください。

이 정보를 한국어로 원하시면 855.845.1472로 전화하시기 바랍니다.

Tumawag sa 855.845.1472 upang makuha itong impormasyon sa Tagalog.

Gọi số 855.845.1472 để có được thông tin này bằng tiếng Việt.

позвоните по телефону: 855.845.1472 чтобы получить эту информацию на русском языке.

zadzwoń pod numer 855.845.1472, aby uzyskać te informacje w języku polskim.

Por favor, llame al 855.845.1472 para obtener esta información en español.

**AT&T's National Center for Customers with Disabilities (NCCD)**

- 📞 Voice: 8662416568
- 📞 TTY: 8662416567
- 🕒 Hours:
  - o Mon–Fri: 11 a.m. – 9 p.m. PST
  - o Sat: 11 a.m. – 8 p.m. PST

**California:**

Albany-Solano (ALBYCA11), Alhambra (ALHBCA01), Anaheim-Lemon (ANHMCA01), Anaheim-Cypress (ANHMCA11), Anaheim-La Palma (ANHMCA12), Antioch (ANTCCA11), Arcadia (ARCDCA11), Arcata (ARCTCA11), Aromas (ARMSCA11), Anderson (ARSNCA11), Arlington (ARTNCA11), Arvin (ARVNCA11), Atwater (ATWRCA12), Avenal (AVNLCA12), N Tahoe Brockway (BCWYCA11), Beale-Msvl Sterling (BEALCA11), Bell (BELLCA11), Biggs (BGGSCA11), Bakersfield-Empire (BKFDCA11), Bakersfield-Main (BKFDCA12), Bakersfield-Columbus (BKFDCA13), Bakersfield-Temple (BKFDCA14), Bakersfield-Mettler (BKFDCA15), Bakersfield-West (BKFDCA17), Bakersfield-Nomad (BKFDCA19), Berkeley-Bancroft (BKLYCA01), Benicia (BNCICA11), Ben Lomond (BNLMCA11), Buena Park (BNPKCA11), Burbank-Palm (BRBNCA11), Bradley (BRDLCA90), Brea (BREACA12), Burlingame (BRLNCA01), Brentwood (BRWDCA12), Brawley (BRWLCA11), Bishop Ranch (BSRNCA70), Butte City (BTCYCA11), Bethel Island (BTISCA11), Burrel (BURLCA11), Beverly Hills (BVHLCA01), Bear Valley (BVLYCA11), Bear Valley Springs (BVSPCA11), Cobb Mountain (CBMTCA11), Chualar (CHLRCA11), Chula Vista-Third A (CHVSCA11), Chula Vista Apache (CHVSCA12), Chowchilla (CHWCCA11), Culver City (CLCYCA11), Calipatria (CLPTCA11), Calistoga (CLSTCA11), Clovis (CLVSCA11), Calxico (CLXCCA12), Compton (CMTNCA01), Concord (CNCRCA01), Colma (COLACA01), Cordelia (CORDCA12), Corona (CORNCA11), Colton (COTNCA11), Crockett (CRCTCA02), Corona Del Mar (CRDMCA11), Carlsbad-La Costa (CRLSCA12), Corning (CRNGCA12), Caruthers (CRTHCA11), Costa Mesa (CSMSCA11), Crows Landing (CWLDCA12), Coyote Wells (CYWLCA11), Danville (DAVLCA12), Tassajara (DAVLCA13), Davis (DAVSCA11), Delano (DELNCA11), Dinuba (DINBCA01), Dixon (DIXNCA11), Del Mar (DLMRCA12), Del Rey (DLRYCA11), Dunnigan (DNGNCA12), Dunsmuir (DNSMCA11), El Cajon (ELCJCA11), El Centro (ELCNCA01), Rich-Appian Way (ELSBCA11), El Segundo-Douglas (ELSGCA12), El Toro (ELTRCA11), Encinitas (ENCTCA12), Earlimart (ERLMCA11), Escalon (ESCLCA11), Escondido (ESCNCA01), Esparto (ESPRCA11), Felton (FETNCA11), Flsm-Nimbus (FLSMCA12), Flsm-El Dorado (FLSMCA13), Fontana (FNTACA11), Firebaugh (FRBHCA11), Fremont-Main (FRMTCA11), Fair Oaks (FROKCA11), Fresno-Main (FRSNCA01), Fresno-Baldwin (FRSNCA11), Fresno-Clinton (FRSNCA12), Fresno-Sierra (FRSNCA13), Fresno-West (FRSNCA14), Fresno-Woodward (FRSNCA15), Farmersville (FRVLCA11), Fortuna (FTUNCA11), Fullerton (FUTNCA01), Five Points (FVPNCA11), Frazier Park (FZPKCA11), Galt (GALTCA11), Glendale (GLDLCA11), Gonzales (GNZLCA11), Gerber (GRBRCA11), Gridley (GRDLCA11), Gardena (GRDNCA01), Grenada (GRNDCA13), Goshen (GSHNCA11), Gustine (GUSTCA11), Geyserville (GYVLCA11), Herald (HERLCA11), Highland (HGLDCA11), Hughson (HGSNCA11), Holtville (HLVLCA11), Hollywood (HLWDCA01), Hamilton City (HMCYCA11), Homewood (HMWDCA11), Hanford (HNFRC A01), Huntington Park (HNPKCA01), Hopland (HPLDCA12), Huron (HURNCA11), Hayward-Depot Ct (HYWRCA11), Ignacio (IGNCCA12), Imperial (IMPRCA11), Ione (IONECA11), Irvine-Main (IRVNCA01), Irvine-Spectrum (IRVNCA12), Ivanhoe (IVNHCA11), Jamul (JAMLCA60), Jackson (JCSNCA01), Kingsburg (KGBGCA11), Kelseyville (KLVLC A12),

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## Important Information About AT&T Phone – Advanced (AP-A) and Battery Backup

### ***AT&T Phone – Advanced includes Backup Power***

- *Capability to Accept Backup Power.* If there is an electrical power outage that affects the electricity in your home, your AP-A device will continue to function by using its built-in back-up battery.
- *Backup Battery Duration and Line Power.* The built-in, rechargeable back-up battery provides up to 24 hours of power on standby. AT&T Phone – Advanced works over our wireless network or any broadband connection. It does not provide line power but with its built-in battery back-up, AP-A will keep you connected if electricity goes out.
- *Purchase and Replacement Information.* The back-up battery is included at no additional cost. If you would like to purchase an additional battery, you may do so through AT&T for \$89 before sales tax.
- *Self-Testing and Self-Monitoring Instructions.* The built-in backup battery is part of the AP-A device. No testing is necessary on the battery as long as the AP-A service is active.
- *Service Limitations with and without Backup Power.* The backup battery will power the AP-A device, but it will not power other equipment like medical and security-monitoring systems. During a power outage, customers should use the AP-A device sparingly to preserve battery life.
- *Warranty Details.* The AP-A device carries a one-year warranty, which also covers the built-in backup battery.
- *Proper Usage and Storage Conditions, Including the Impact on Duration of Failing to Adhere to Proper Usage and Storage.* Since the backup battery is integrated into the AP-A device, it should be maintained under the same conditions as the device. The AP-A device should be used inside the home, keeping the internal temperature between 32 °F and 113 °F (0 °C and 45 °C). Storing the device at higher or lower temperatures could adversely impact the duration of backup power available from the battery.
- *Security Responsibilities and Other Steps You May Take to Ensure Safe Use of AP-A.* As noted, AP-A has a built-in battery backup device that can provide power for up to 24 hours. However, if the device does not have electrical or battery power, then the AP-A service will not work, including emergency 911 service. The AP-A device should remain plugged in to an electrical power source for the service to continue working and to ensure that the battery remains fully charged.

May 20, 2026



### **Important Update About Your AT&T Business Customer Individual Access Line Service<sup>1</sup> and AT&T Residential Local Service**

Thank you for using AT&T for your business service needs. We know that businesses today rely on high-speed, reliable connectivity, and only AT&T can bring you the best and largest network to help you connect your business. That's why we're upgrading traditional landline phone service in your area to new, enhanced solutions that are more reliable and affordable. Our records show that you currently have service in at least one of the areas impacted by these updates. You can see the addresses where your service is being upgraded below.<sup>2</sup>

#### **Upgrading your traditional phone service:**

Our customers are asking for faster and more reliable service, so we're upgrading our network in California to give you connectivity you can count on for everyday needs. California's aging copper network doesn't deliver the same level of service, quality and reliability as newer technology. Now, we have more ways to connect than ever before, with newer, faster, technology that is more reliable, energy efficient, and affordable. As we upgrade our network across the country, we're doing the same in California and delivering better technology for our customers across the state.

**As part of this transition, your traditional phone service, known as AT&T Business Customer Individual Access Line Service and AT&T Residential Local Service, will be discontinued on or after 06/01/2027.**

We know how important it is to stay connected, and we're here to make this transition easy for you. We have an enhanced, more reliable option for you to better support your business needs and stay connected: AT&T Phone for Business – Advanced.

#### **Here's what you can expect over the next year:**

- We'll send additional information over the coming months regarding this transition and how you can upgrade your service.
- We'll no longer accept new orders, renewal of service agreements, or requests for physical changes, including moves to different service addresses, for traditional phone service in your area, effective on or after **07/19/2026**. You will continue to be able to make phone calls using your existing service until on or after **06/01/2027**, when we will stop providing service, pending FCC approval.
- You will need to contact your Account Manager to update your traditional landline phone service before **06/01/2027**. We want to help you upgrade your service, so you continue to have access to phone service and 911. Please call 855-235-0900 to understand your options for phone service from AT&T.

We look forward to continuing to serve you and providing a better and more reliable experience for your business needs.

Sincerely,

AT&T Business Services  
208 S. Akard Street  
Dallas, TX 75202  
[www.business.att.com](http://www.business.att.com)

<sup>1</sup>In some circumstances, AT&T Business Customer Individual Access Line Service may also be referred to as Measured Rate Business Service.

<sup>2</sup>In the areas impacted by this notice, your traditional landline phone service is called AT&T Business Customer Individual Access Line Service or AT&T Residential Local Service and is provided by Pacific Bell Telephone Company, d/b/a AT&T California. A complete list of impacted areas is attached.







List of Impacted Wire Centers

California

Albany-Solano (ALBYCA11), Alhambra (ALHBCA01), Anaheim-Lemon (ANHMCA01), Anaheim-Cypress (ANHMCA11), Anaheim-La Palma (ANHMCA12), Antioch (ANTCCA11), Arcadia (ARCDCA11), Arcata (ARCTCA11), Aromas (ARMSCA11), Anderson (ARSNCA11), Arlington (ARTNCA11), Arvin (ARVNCA11), Atwater (ATWRCA12), Avenal (AVNLCA12), N Tahoe Brockway (BCWYCA11), Beale-Msvl Sterling (BEALCA11), Bell (BELLCA11), Biggs (BGGSCA11), Bakersfield-Empire (BKFDCA11), Bakersfield-Main (BKFDCA12), Bakersfield-Columbus (BKFDCA13), Bakersfield-Temple (BKFDCA14), Bakersfield-Mettler (BKFDCA15), Bakersfield-West (BKFDCA17), Bakersfield-Nomad (BKFDCA19), Berkeley-Bancroft (BKLYCA01), Benicia (BNICCA11), Ben Lomond (BNLMCA11), Buena Park (BNPKCA11), Burbank-Palm (BRBNCA11), Bradley (BRDLCA90), Brea (BREACA12), Burlingame (BRLNCA01), Brentwood (BRWDCA12), Brawley (BRWLCA11), Bishop Ranch (BSRNCA70), Butte City (BTCYCA11), Bethel Island (BTISCA11), Burrel (BURLCA11), Beverly Hills (BVHLCA01), Bear Valley (BVLVCA11), Bear Valley Springs (BVSPCA11), Cobb Mountain (CBMTCA11), Chualar (CHLRCA11), Chula Vista-Third Avenue (CHVSCA11), Chula Vista Apache (CHVSCA12), Chowchilla (CHWCCA11), Culver City (CLCYCA11), Calipatria (CLPTCA11), Calistoga (CLSTCA11), Clovis (CLVSCA11), Calexico (CLXCCA12), Compton (CMTNCA01), Concord (CNCRCA01), Colma (COLACA01), Cordelia (CORDCA12), Corona (CORNCA11), Colton (COTNCA11), Crockett (CRCTCA02), Corona Del Mar (CRDMCA11), Carlsbad-La Costa (CRLSCA12), Corning (CRNGCA12), Caruthers (CRTHCA11), Costa Mesa (CSMSCA11), Crows Landing (CWLDCA12), Coyote Wells (CYWLCA11), Danville (DAVLCA12), Tassajara (DAVLCA13), Davis (DAVSCA11), Delano (DELNCA11), Dinuba (DINBCA01), Dixon (DIXNCA11), Del Mar (DLMRCA12), Del Rey (DLRYCA11), Dunnigan (DNGNCA12), Dunsmuir (DNSMCA11), El Cajon (ELCJCA11), El Centro (ELCNCA01), Rich-Appian Way (ELSBCA11), El Segundo-Douglas (ELSGCA12), El Toro (ELTRCA11), Encinitas (ENCTCA12), Earlimart (ERLMCA11), Escalon (ESCLCA11), Escondido (ESCNCA01), Esparto (ESPRCA11), Felton (FETNCA11), Flsm-Nimbus (FLSMCA12), Flsm-El Dorado (FLSMCA13), Fontana (FNTACA11), Firebaugh (FRBHCA11), Fremont-Main (FRMTCA11), Fair Oaks (FROKCA11), Fresno-Main (FRSNCA01), Fresno-Baldwin (FRSNCA11), Fresno-Clinton (FRSNCA12), Fresno-Sierra (FRSNCA13), Fresno-West (FRSNCA14), Fresno-Woodward (FRSNCA15), Farmersville (FRVLCA11), Fortuna (FTUNCA11), Fullerton (FUTNCA01), Five Points (FVFNCA11), Frazier Park (FZPKCA11), Galt (GALTCA11), Glendale (GLDLCA11), Gonzales (GNZLCA11), Gerber (GRBRCA11), Gridley (GRDLCA11), Gardena (GRDNCA01), Grenada (GRNDCA13), Goshen (GSHNCA11), Gustine (GUSTCA11), Geyserville (GYVLCA11), Herald (HERLCA11), Highland (HGLDCA11), Hughson (HGSNCA11), Holtville (HLVLCA11), Hollywood (HLWDCA01), Hamilton City (HMCYCA11), Homewood (HMWDCA11), Hanford (HNFRCOA1), Huntington Park (HNPKCA01), Hopland (HPLDCA12), Huron (HURNCA11), Hayward-Depot Ct (HYWRCA11), Ignacio (IGNCCA12), Imperial (IMPRCA11), Ione (IONECA11), Irvine-Main (IRVNCA01), Irvine-Spectrum (IRVNCA12), Ivanhoe (IVNHCA11), Jamul (JAMLCA60), Jackson (JCSNCA11), Kingsburg (KGBGCA11), Kelseyville (KLVLCA12), Knights Ferry (KNFYCA11), Kyburz (KYBRCA11), La Canada-Oak Grove (LACNCA11), La Crescenta (LACRCA11), La Jolla-Girard (LJLCA11), La Mesa (LAMSCA01), Lamont (LAMTCA11), Laton (LATNCA11), Lockeford (LCFRCA11), Lebec-Main (LEBCCA11), Lemoore-Main (LEMRCOA1), Lemoore-Wyman (LEMRCOA12), Lafayette (LFYCA11), Laguna Niguel (LGNGCA12), Le Grand (LGRDCA11), La Grange (LGRNCA12), Lakeport (LKPTCA02), Lincoln (LNCLCA11), Lodi (LODICA01), Loleta (LOLTCA11), Loomis (LOMSCA11), Lomita (LOMTCA11), Larkspur (LRKSCA11), Lsan-Madison 02 (LSANCA02), Lsan-Madison 03 (LSANCA03), Lsan-Pleasant (LSANCA05), Lsan-Union (LSANCA06), Lsan-Airport (LSANCA07), Lsan-Melrose (LSANCA08), Lsan-Richmond (LSANCA09), Lsan-Webster (LSANCA10), Lsan-Rampart (LSANCA11), Lsan-Normandy (LSANCA12), Lsan-Plymouth (LSANCA13), Lsan-Adams (LSANCA14), Lsan-Axminster (LSANCA15), Lsan-Capitol (LSANCA23), Lsan-Sunset (LSANCA29), Lsan-Angelus (LSANCA34), Lsan-Montebello (LSANCA35), Lsan-Republic (LSANCA38), Los Banos (LSBNCA12), Los Molinos (LSMLCA11), Live Oak (LVOKCA11), Madera-Bonadelle (MADRCA12), Marina (MARNCA11), Modesto-Main (MDSTCA02), Modesto-Kellog (MDSTCA03), Modesto-Kingswood (MDSTCA04), Modesto-Tally (MDSTCA05), Modesto-Davis (MDSTCA52), Middletown (MDTWCA11), Mokelumne Hill (MKHLCA12), Mckinleyville (MKVLCOA11), Millbrae (MLBRCA11), Mendota (MNDTCA11), Mojave (MOJVCA01), Moraga (MORGCA12), Merced (MRCDCOA1), Meridian (MRDNCA11), Moorpark (MRPKCA12), Mission Viejo (MSVJCAAT), Mountain Pass (MTPSCA11), Monterey (MTRYCA01), Mt Shasta (MTSHCA12), Mountain View (MTVWCA11), Marysville (MYVICA01), Nicolaus (NCLSCA12), Newhall (NHLLCA01), Nhw-Lankershim (NHWDCOA1), Nhw-Magnolia (NHWDCOA2), Nice (NICECA11), Niland Main (NILDCA11), Niland Bombay Beach (NILDCA12), Nipomo (NIPMCA11), Northridge (NORGCA11), Nscr-Wabash (NSCRCA11), Nscr-North Natomas (NSCRCA12), National City-Highland (NTCYCA11), Newcastle (NWCSCA11), Newman (NWMNCA12), Oceanside-Mission (OCSDCA11), Oakdale (OKDLCA11), Okid-45Th (OKLDCA11), Okid-Holly (OKLDCA12), Okid-Mountain (OKLDCA13), Oakley (OKLYCA11), Orange Cove (ORCVCA11), Orland (ORLDCA11), Orinda (ORNDCA11), Orange-Chapman (ORNGCA11), Orange-Olive (ORNGCA13), Orosi (ORSICA11), Orangevale (ORVACA11), Otay Mesa (OTMSCA11), Pacifica (PCFCCA11), Pedley (PDLYCA11), Palo Alto-Main (PALCA02), Palo Alto-South (PALCA12), Pleasant Grove (PLGVCA12), Planada (PLNDCA11), Pleasanton-Main (PLTNCA12), Pleasanton-Hacienda (PLTNCA13), Placerville-Main (PLVLCA11), Pepperwood (PPWDCA11), Paradise-Main (PRDSCA11), Parlier (PRLRCA11), Paramount (PRMTCA01), Pittsburg-Main (PSBGCA01), Pittsburg-Willow (PSBGCA11), Pismo Beach (PSBHCA11), Pixley (PXYLCA11), Rancho Bernardo (RBRNCA11), Rocklin 11 (RCKLCA11), Richmond (RCMDCA11), Richvale (RCVACA11), Redwood City (RDCYCA01), Redding-Main (RDNGCA02), Redding-Enterprise (RDNGCA11), Rio Dell (RIDECA11), Rio Linda (RILNCA12), Rialto (RILTCA11), Rancho Murieta (RNMRCOA1), Rancho Penasquitos (RNPSCA11), Rancho San Diego (RNSDCA11), Rosemead (ROSMCA11), Rancho Santa Fe (RSFECA12), Rosamond (RSMDCOA1), Rohnert Park (RTPKCA11), Riverdale (RVDLCA11), Riverbank (RVRBCA11), Riverside-Orange (RVSDCA01), Riverside-Woodcrest (RVSDCA11), Santee (SANTCA01), Scrm-Main (SCRMCA01), Scrm-Garden (SCRMCA03), Scrm-Gladstone (SCRMCA11), Scrm-Empire (SCRMCA12), Scrm-Fruitridge (SCRMCA13), Scotts Valley (SCVYCA01), Selma (SELMCA11), Seaside (SESDCA11), South Gate (SGATCA01), Shingle Springs (SGSPCA11), Shafter (SHFTCA11), Sherman Oaks (SHOKCA01), Stockton-Main (SKTNCA01), Stockton-Granite (SKTNCA11), Stockton-Ashley (SKTNCA12), Stockton-Redwood (SKTNCA14), Soledad (SLDDCA11), Solamint (SLMNCA11), Salinas-Main (SLNSCA01), Salinas-Hickory (SLNSCA11), Salinas-Glenview (SLNSCA12), Moro (SLNSCA14), Silverado (SLVRCA11), Santa Ana-Bristol (SNANCA11), Santa Ana-Bolsa (SNANCA12), San Carlos (SNCRCA11), Sndg-C Street (SNDGCA01), Sndg-University (SNDGCA02), Sndg-Linda Vista (SNDGCA03), Sndg-Saipan (SNDGCA05), Sndg-37Th Street (SNDGCA06), Sndg-College (SNDGCA11), Sndg-Market (SNDGCA12), Sndg-Regents (SNDGCA15), Sndg-Mira Mesa (SNDGCA16), Sncf-Mccoppin (SNFCCA04), Sncf-25Th Street (SNFCCA05), Sncf-Onondaga (SNFCCA06), Sncf-9Th Avenue (SNFCCA13), Sncf-3Rd Street (SNFCCA17), Sncf-Folsom St (SNFCCA21), Sncf-U C Med Center (SNFCCA64), San Gabriel (SNGBCA01), San Geronimo (SNGNCA11), San Jose-Main (SNJSCA02), San Jose-Chynoweth (SNJSCA13), San Jose-Foxworthy (SNJSCA14), San Jose-Junction Avenue (SNJSCA21), San Lucas (SNLCCA11), San Martin (SNMACA11), San Marcos (SNMCCA11), San Mateo (SNMTCA11), Milton (SNRCA13), San Rafael-Main (SNRFCA01), San Ramon (SNRMCA11), Space Park (SNTCCA01), Bellomy (SNTCCA11), Carroll (SNVACA01), Mathilda (SNVACA11), San Ysidro (SNYSCA12), South Pasadena-Mission (SPSDCA11), Stratford (SRFRCA11), South Tahoe-Tamarack (STAHCA12), South Tahoe-Meyers (STAHCA13), Suison City (SUISCA11), Thornton (THTNCA11), Tipton (TPTNCA11), Terra Bella (TRBLCA11), Turlock (TRLCCA11), Tulare (TULRCA11), Tustin-Main (TUSTCA11), Tustin-Redhill (TUSTCA70), Twain Harte (TWHRCA11), Union City (UNCYCA11), Vina (VINACA12), Visalia (VISLCA11), Vista (VISTCA12), Van Nuys (VNNYCA02), Ventura-Main (VNTRCA11), Valley Ford (VYFRCA11), Wasco (WASCCA01), Woodland (WDLCA11), Woodlake (WDLKCA11), Weed (WEEDCA01), Century City (WLANCA01), Walnut Creek (WNCKCA11), Windsor (WNDSCA11), Frontier (WSCRCA11), Waterford (WTRFCA11), Yorba Linda (YRLNCA11)

## **Important Information Regarding AT&T Phone for Business – Advanced (APB-A)**

### ***Lack of Line Power***

AT&T Phone for Business – Advanced (APB-A) does not provide line power. However, in the event of a power outage APB-A has a built-in, rechargeable battery backup that provides up to 24 hours of power on standby.

### ***Backup Power***

- *Capability to Accept Backup Power.* If there is an electrical power outage that affects the electricity to your business location, your APB-A device will continue to function by using its built-in backup battery.
- *The APB-A device includes a 24-hour battery backup at no additional cost.* APB-A is offered as a service (aaS) that features AT&T-owned and managed devices installed at the customer's premises. Should the APB-A device or battery become inoperable, AT&T will replace the APB-A device for as long as the customer retains APB-A as a service.
- *Service Limitations with and without Backup Power.* The backup battery will power the APB-A service, but it will not power other customer owned equipment like medical and security-monitoring systems. To maximize battery life during a power outage, customers should minimize usage of APB-A.

### ***Expected Backup Power Duration***

The internal backup battery will power the APB-A service for 24 hours on standby.

### ***Proper Usage and Storage Conditions, Including the Impact on Duration of Failing to Adhere to Proper Usage and Storage***

Since the backup battery is integrated into the APB-A device, it should be maintained under the same conditions as the device. The APB-A device should be used inside the business location, keeping the internal temperature between 32 °F and 113 °F (0 °C and 45 °C). Storing the device at higher or lower temperatures could adversely impact the duration of backup power available from the battery.

### ***Subscriber Backup Power Self-Testing and -Monitoring Instructions***

The built-in backup battery is part of the APB-A device. No testing is necessary on the battery as long as the APB-A service is active.

### ***APB-A Device Service Assurance Details***

*The APB-A device includes a 24-hour battery backup at no additional cost.* AT&T Phone for Business – Advanced is offered as a service (aaS) that features AT&T-owned and managed devices installed at the customer's premises. Should the APB-A device or battery become inoperable, AT&T will replace the APB-A device for as long as the customer retains APB-A as a service.

### ***Security Responsibilities and Other Steps You May Take to Ensure Safe Use of APB-A***

As noted above, in the event of a power outage, APB-A device has a built-in battery backup that can provide power for 24 hours. However, if the device does not have electrical or battery power, APB-A service will not work, including emergency 911 service. The APB-A device should remain plugged into an electrical power source for the service to continue working and to ensure that the battery remains fully charged.

# **Exhibit 3**

**Section 63.602(a)(4) Certification**

I, Susan Johnson, Senior Executive Vice President - Transformation and Supply Chain, am employed by AT&T Services, Inc. I certify under penalty of perjury that, to the best of my knowledge, information, and belief, the information required by 47 C.F.R. § 63.602 that is submitted in the Section 63.71 Application of Pacific Bell Telephone Company d/b/a AT&T California, for Authority Pursuant to Section 214 of the Communications Act of 1934, As Amended, to Discontinue the Provision of Service, is true and correct.

Dated: May 15, 2026

  
\_\_\_\_\_  
Susan Johnson  
AT&T SERVICES, INC.  
208 South Akard Street  
Dallas, TX 75202

**CERTIFICATE OF SERVICE**

I, Martha Flaherty, certify that on May 20, 2026, I will cause a copy of the foregoing Section 63.71 Application of AT&T by U.S. Mail postage prepaid to be served on the addresses below.

/s/ Martha Flaherty  
Martha Flaherty

Office of the Governor  
Governor's Office  
State Capitol  
Sacramento, CA 95814

California Public Utilities  
Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Department of Defense  
Chief Information Officer  
6000 Defense Pentagon  
Washington, D.C.20301

Table Mountain Rancheria  
of California  
Chairman  
P.O. Box 410  
Friant, CA, 93626

Paskenta Band of Nomlaki  
Indians of California  
22580 Olivewood Avenue  
Corning, California 96021

Sycuan Band of the  
Kumeyaay Nation  
Chairman  
1 Kwaaypaay Court  
El Cajon, CA, 92019

Bear River Band of the  
Rohnerville Rancheria  
Chairman  
266 Keisner Road,  
Loleta, CA, 95551

Quartz Valley Indian  
Community of the  
Quartz Valley Reservation  
Chairman  
13601 Quartz Valley Road  
Fort Jones, CA, 96032

Dry Creek Rancheria  
Band of Pomo Indians  
Chairman  
P.O. Box 607  
Geyserville, CA, 95441

San Manuel Band  
of Mission Indians

Chairman  
26569 Community Center Dr  
Highland, CA, 92346

Hopland Band  
of Pomo Indians  
Chairman  
3000 Shanel Road,  
Hopland, CA, 95449

Jamul Indian Village  
Chairman  
P.O. Box 612  
Jamul, CA, 91935

Jackson Band  
of Miwuk Indians  
Chairman  
P.O. Box 1090  
Jackson, CA, 95642

Santa Rosa Indian  
Community of the  
Santa Rosa Rancheria  
Chairman  
P.O. Box 8  
Lemoore, CA, 93245

Robinson Rancheria Band  
of Pomo Indians  
Chairman  
P.O. Box 4015  
Nice, CA, 95464

Big Valley Band of Pomo  
Indians of the Big Valley  
Rancheria Chairman  
2726 Mission Rancheria Rd  
Lakeport, CA, 95453

United Auburn Indian  
Community of the Auburn  
Rancheria  
Chairman  
10720 Indian Hill Rd  
Auburn, CA, 95603

Table Bluff Rancheria  
Wiyot Tribe  
Chairman  
1000 Wiyot Dr.  
Loleta, CA 95551  
Middletown Rancheria of Pomo  
Indians  
Chairman

P.O. Box 1035  
Middletown, CA, 95461

Cher-Ae Heights Indian  
Community  
of the Trinidad Rancheria  
Chairman  
P.O. Box 630  
Trinidad, CA, 95570

Enterprise Rancheria of Maidu  
Indians  
Chairman  
2133 Montevista Ave  
Oroville, CA, 95966

Lytton Rancheria  
Chairman  
1500 Falling Oak Way  
Windsor, CA, 95492

Redding Rancheria  
Chairman  
2000 Redding Rancheria Rd  
Redding, CA, 96001

Shingle Springs Band of Miwok  
Indians,  
Shingle Springs Rancheria  
(Verona Tract), California  
Chairman  
P.O. Box 1340  
Shingle Springs, CA, 95682

**SECTION 63.71 APPLICATION  
OF AT&T (BUSINESS)**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

Section 63.71 Application of

AT&T Services, Inc., on behalf of its affiliate;  
Pacific Bell Telephone Company d/b/a AT&T  
California

Authority Pursuant to Section 214 of  
The Communications Act of 1934, As Amended,  
To Discontinue the Provision of Service

**File No.**

**SECTION 63.71 APPLICATION OF AT&T**

AT&T<sup>1</sup> applies for authority under section 214(a) of the Communications Act, as amended, 47 U.S.C. § 214, and section 63.71 of the Federal Communications Commission’s (“Commission”) rules, 47 C.F.R. § 63.71, to discontinue certain legacy TDM-based voice services in certain wire centers located in California.

**INTRODUCTION**

In its recent *Network Modernization Order*, the Commission made clear its desire to accelerate the modernization of America’s communications infrastructure.<sup>2</sup> This Application takes an important step toward that goal. The copper wires that once served *every* home now

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<sup>1</sup> AT&T Services, Inc. files this Application on behalf of its affiliate Pacific Bell Telephone Company d/b/a AT&T California. The FRN associated with this filing is 0001551530.

<sup>2</sup> See *Reducing Barriers to Network Improvements and Serv. Changes*, Report and Order, FCC 26-19, WC Dkt. No. 25-209, ¶ 1 (Mar. 27, 2026) (“*Network Modernization Order*”).

serve just *three percent* of Californian households in AT&T’s service territory, and that number shrinks every day as customers switch to modern broadband options that are more affordable, reliable, and energy efficient. AT&T must spend \$1 billion a year to maintain a nearly-empty copper network that has become an easy mark for criminals—California has already suffered about 2,000 outages from copper thefts this year—and that is estimated to drain the power grid of over 100 million of kilowatt-hours each year.

AT&T thus seeks to discontinue AT&T Business Individual Access Line Service<sup>3</sup> (the “Affected Service”)—a copper-wire-based legacy service often referred to as “POTS”—to approximately 15,000 customers (the “Affected Customers”) in portions of 360 wire centers in California (the “Affected Service Area”).<sup>4</sup> This Application complements actions AT&T is concurrently taking to grandfather POTS in the Affected Service Area.<sup>5</sup> AT&T is filing concurrently a related Application to discontinue AT&T Residential Local Service in the Affected Service Area.

The Affected Service Area is one of the most competitive areas in the country, and this Application thus presents a paradigmatic case for streamlined approval. The Affected Service Area is blanketed by three wireless networks offering both voice and broadband services. Cable companies and fiber providers have likewise deployed extensive wireline broadband networks throughout these wire centers. These providers offer the type of modern IP-based services that

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<sup>3</sup> AT&T Business Individual Access Line Service may also be called Measured Rate Business Service or AT&T Business Local Exchange Line Service.

<sup>4</sup> This Application also includes the wholesale version of the Affected Service, which is sold to carrier customers.

<sup>5</sup> See *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Invest.*, Order, 40 FCC Rcd. 2019 (2025) (waiving the requirement to file applications to grandfather legacy voice services).

customers crave but that POTS cannot deliver, which is why the number of businesses that subscriber to the Affected Service has dramatically declined.

The National Broadband Map confirms this competitive reality. Over 99.9 percent of serviceable locations in the 360 wire centers are covered by at least three facilities-based, terrestrial fixed broadband or mobile voice providers. And this is without even counting emerging satellite-based services that are increasingly capable of serving virtually everywhere.

Critically, *every* Affected Customer has an alternative: *all* can receive the AT&T Phone for Business – Advanced (“APB-A”)<sup>6</sup> service, which is not merely an adequate substitute for POTS, but superior to it.

And because this is the case, this Application abundantly satisfies the requirements for discontinuance as currently set forth in 47 C.F.R. §§ 63.71, 63.602.<sup>7</sup> The Commission has repeatedly granted AT&T discontinuance of the Affected Service on a streamlined basis for other AT&T wire centers.<sup>8</sup> In granting those applications, the Commission recognized each time that APB-A is an adequate replacement for business POTS under the Adequate Replacement

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<sup>6</sup> AT&T recently introduced an updated and renamed version of APB-A called AT&T Business Voice (“ABV”). ABV uses the same technology and customer equipment as APB-A and has all the same features plus additional ones, including improved voicemail, call handling, and call screening functionality. The technical performance of ABV does not vary from APB-A. ABV launched on June 17, 2025, and is in the process of being introduced to different market segments. Currently, depending on the market segment, the service may be sold to customers as ABV or APB-A. For simplicity’s sake, in this application references to “APB-A” include ABV as well as APB-A.

<sup>7</sup> AT&T files this Application under the Commission’s existing rules, as the new rules adopted in the *Network Modernization Order* have not yet gone into effect (and likely will not have gone into effect if this Application is granted on a streamlined basis). However, this Application also independently satisfies the requirements of the Commission’s new rules, as explained herein.

<sup>8</sup> See Section 63.71 Application of AT&T, WC Dkt. No. 25-25 (filed Apr. 1, 2025); *id.*, WC Dkt. No. 25-228 (filed July 15, 2025); *id.*, WC Dkt. No. 25-333 (filed Dec. 1, 2025).

Test outlined in the Commission’s 2016 *Tech Transitions Order*.<sup>9</sup> As with AT&T’s previously approved discontinuance applications, discontinuing the Affected Service here will benefit the public and serve as an important step toward meeting AT&T’s and the Commission’s shared goal of advancing next-generation communication technologies.<sup>10</sup>

AT&T’s request for streamlined treatment of this Application rests upon the availability of APB-A—an “Adequate Replacement” service—to all Affected Customers. However, as noted, this is only one of many alternatives available. Affected Customers are also served by one or more “facilities-based mobile wireless” providers, including Verizon, whose mobile voice service the Commission recently found to be an adequate replacement for POTS.<sup>11</sup> Likewise, as noted, Affected Customers will also continue to be able to obtain voice service using the broadband connections provided by cable, fiber, fixed wireless, and satellite providers.

Given that virtually all voice customers in the Affected Service Area have switched to these superior alternatives, AT&T now seeks to discontinue the Affected Service in the Affected

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<sup>9</sup> See generally *Tech. Transitions*; et al., Declaratory Ruling, Second Report and Order, and Order on Reconsideration, 31 FCC Rcd. 8283 (2016) (“*Tech Transitions Order*”).

<sup>10</sup> See, e.g., *Network Modernization Order* ¶ 1; *Reducing Barriers to Network Improvements and Service Changes*; et al., Notice of Proposed Rulemaking, 40 FCC Rcd. 5329, 5391, Statement of Chairman Brendan Carr (2025) (“We are looking to unleash the private sector to build the modern networks of the future and ensure that providers are no longer forced to invest billions of dollars in aging technology.”); FCC, *Connecting America: The National Broadband Plan*, at 59 (Mar. 16, 2010), <https://transition.fcc.gov/national-broadband-plan/national-broadband-plan.pdf> (“requir[ing] certain carriers to maintain POTS ... is not sustainable—and ... can have a number of unintended consequences, including siphoning investments away from new networks and services”).

<sup>11</sup> Section 63.71 Application (filed May 16, 2025), in *Section 63.71 Application of Qwest Corporation d/b/a CenturyLink QC*, WC Docket No. 25-177. AT&T’s and T-Mobile’s mobile voice services do not differ from Verizon’s in any way relevant to the Adequate Replacement Test and, as a practical matter, should also be considered adequate replacements for POTS service as well. In all events, the *Network Modernization Order* has conclusively determined that facilities-based mobile wireless service is an adequate replacement service. See *Network Modernization Order* ¶ 34.

Service Area so that it can redeploy its resources towards its next-generation fiber and wireless networks and services.

Streamlined approval of this Application will demonstrate that the Commission has succeeded in cutting the “red tape that has both required providers to keep aging copper lines in place and effectively prevented them from investing in the modern infrastructure that Americans want and deserve.”<sup>12</sup> It will also serve as the predicate for preempting California’s outdated regulatory regime that “needlessly constrain[s] the deployment of modern, next-generation IP-based networks.”<sup>13</sup> With last-century “Carrier of Last Resort” (“COLR”) rules, California requires AT&T to continue offering POTS throughout its territory. But once the Commission has authorized discontinuance, AT&T may proceed to do so without securing “any other approval.”<sup>14</sup>

## APPLICATION

### I. AT&T Satisfies The Adequate Replacement Test

#### A. APB-A Satisfies the Adequate Replacement Test

When the Commission adopted the Adequate Replacement Test in 2016, it noted that “a repeat applicant for a 214 discontinuance application in the technology transition context can rely on its successful certification of compliance with all three prongs of the Adequate Replacement Test in a previously approved application involving a substantially similar service.”<sup>15</sup> A “substantially similar service” is defined as “one offered by the same applicant

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<sup>12</sup> *Network Modernization Order* ¶ 1.

<sup>13</sup> *Id.* ¶ 7.

<sup>14</sup> *Id.* ¶ 114.

<sup>15</sup> *Tech Transitions Order* ¶ 82. The Commission noted at the time that “[t]his approach should go a long way to addressing incumbent LEC concerns that the adoption of new requirements for section 214 discontinuances will slow technology transitions.” *Id.* ¶ 83.

relying on the same technology and utilizing a comparable network infrastructure.”<sup>16</sup> Both prongs are met here. In this Application, AT&T relies on APB-A, which the Commission previously found to satisfy the Adequate Replacement Test, as an adequate replacement for POTS.<sup>17</sup> APB-A in the Affected Service Area uses “a comparable”—in fact, the same—network architecture as in the previously approved applications.

APB-A is available to all Affected Customers. As reflected in the FCC National Broadband Map – Mobile, AT&T’s LTE network covers all Affected Customers.<sup>18</sup> APB-A uses AT&T’s LTE network for connectivity; therefore, APB-A is available to all Affected Customers.<sup>19</sup> Because the Commission previously found APB-A to be an adequate replacement for the Affected Service, and because APB-A is available to all Affected Customers, it is an adequate replacement for the Affected Service in the Affected Service Area.<sup>20</sup>

**B. Other Alternatives Are Also Widely Available and Support Discontinuance**

Although not required to approve this Application, the Affected Customers have numerous options beyond APB-A.

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<sup>16</sup> *Id.* ¶ 82.

<sup>17</sup> *See* n.9, *supra*.

<sup>18</sup> *See* FCC, *FCC National Broadband Map*, <https://broadbandmap.fcc.gov> (last visited May 15, 2026). AT&T relied on the LTE “voice” coverage depicted on the National Broadband Map to provide the most accurate depiction of APB-A coverage given its low bandwidth and given it sits in a fixed location.

<sup>19</sup> APB-A can work over any kind of Internet connection, but it is capable of operating over AT&T’s LTE network.

<sup>20</sup> In addition to AT&T’s own mobile service, as noted above, Verizon’s mobile wireless service also would constitute an adequate replacement service for Affected Customers, but AT&T does not rely on that service in making the showing necessary for streamlined treatment of this Application.

**Mobile Wireless Service.** There are over 390 million mobile retail voice lines in the United States, which represent approximately 83 percent of all voice lines.<sup>21</sup> Californians, like most Americans, overwhelmingly rely on mobile wireless service. As of three years ago, over three quarters of California adults relied *exclusively* on their mobile phones.<sup>22</sup> That fraction likely has increased, given prevailing trends.

The predominance of mobile wireless substitution stems from the near-ubiquitous availability of mobile networks in the country and in California specifically. In addition to AT&T’s own mobile service, Verizon and T-Mobile blanket AT&T’s legacy incumbent service area with mobile service that qualifies as an “adequate replacement service.”<sup>23</sup> Individually, AT&T’s LTE mobile service reaches *all* Affected Customers, as well as approximately 99.9 percent of locations in the 360 wire centers. But virtually all of these locations also have access to Verizon or T-Mobile (or both) as well. Collectively, approximately 99.9 percent of Affected Customers and approximately 99.9 percent of serviceable locations in the 360 wire centers have access to at least two of the national mobile wireless providers.<sup>24</sup>

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<sup>21</sup> See FCC, *Voice Telephone Services Report: Status as of June 30, 2025*, at 2 fig. 1 (May 2026), <https://docs.fcc.gov/public/attachments/DOC-421558A1.pdf> (“*Voice Telephone Services Report*”).

<sup>22</sup> See Nat’l Ctr. for Health Stat., *National Health Interview Survey Early Release Program 1* (2025), [https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless\\_state\\_202506.pdf](https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless_state_202506.pdf) (finding that, as of 2023, California adults relied exclusively (76.6 percent) or mostly (14.7 percent) on their wireless phones and that 3.8 percent relied equally on their wireless phones and landline (*i.e.*, POTS or broadband VoIP); only 1.7 percent of California adults were “landline-only” and only 1.9 percent were “landline-mostly”).

<sup>23</sup> See n.11, *supra*.

<sup>24</sup> Declaration of Sandra Charneski ¶¶ 10–11 (“Charneski Decl.”) (attached as Exhibit 1 to AT&T Forbearance Petition).

***IP-Enabled Fixed Offerings.*** Customers in AT&T’s California service territory also enjoy many other cost-effective options for voice service, including offerings provided over cable, fiber, and fixed wireless services. Indeed, approximately 99.7 percent of serviceable locations in the 360 wire centers have access to one or more facilities-based fixed broadband providers, and approximately 96 percent have access to two or more.<sup>25</sup> The Commission has recognized that facilities-based interconnected VoIP services have “brought advanced communications services to the marketplace to the benefit of consumers,” ensuring robust competition for voice services wherever broadband is available.<sup>26</sup>

Enabled by the expansion of fixed broadband networks, interconnected VoIP has become the predominant fixed voice offering. It accounted for approximately 80 percent of all retail fixed voice service business connections as of June of 2025.<sup>27</sup> Interconnected VoIP services bundled with broadband are often comparably priced or cheaper than POTS.<sup>28</sup>

Cable providers such as Comcast, Charter, and Cox collectively have far surpassed AT&T as the leading wireline provider in California<sup>29</sup> and use their broadband networks to offer

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<sup>25</sup> Charneski Decl. ¶ 10.

<sup>26</sup> *Network Modernization Order* ¶ 43 (internal quotation marks omitted) (quoting *Numbering Policies for Modern Commc’ns*; et al., Second Report and Order and Second Further Notice of Proposed Rulemaking, 38 FCC Rcd 8951, ¶ 1 (2023)).

<sup>27</sup> *Voice Telephone Services Report* at 3 fig. 2.

<sup>28</sup> *Compare Xfinity Internet Plans, Deals and Promotions*, BroadbandNow, <https://broadbandnow.com/XFINITY-deals> (last visited May 15, 2026) (Comcast bundled VoIP and Internet start at \$40/month), and *Get Our Best Bundle*, Cox Authorized Retailer, <https://www.coxbundledeals.com/> (last visited May 15, 2026) (Cox VoIP service is priced at \$20/month when purchased as part of a bundle), with *Home Phone Service*, AT&T, <https://www.att.com/home-phone/landline/> (last visited May 15, 2026) (AT&T traditional home phone priced at around \$63/month).

<sup>29</sup> See FCC, *FCC National Broadband Map*, <https://broadbandmap.fcc.gov/data-download/data-by-provider?version=jun2025&pubDataVer=jun2025> (last visited May 15, 2026) (showing

VoIP services that directly compete with legacy POTS.<sup>30</sup> As a result, VoIP connections in California substantially outnumber traditional POTS connections.<sup>31</sup>

Mobile wireless networks also enable fixed wireless offerings capable of supporting voice service. Fixed wireless service now reaches more households nationwide than cable broadband.<sup>32</sup> Combined, T-Mobile and Verizon served more than 14 million fixed wireless subscribers nationwide by the end of 2025—a more than 15-fold increase from just four years ago.<sup>33</sup> AT&T has also begun expanding its fixed wireless offering in nearly every state and now

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Charter, Comcast, and Cox offer wireline service at 9.3 million combined locations to AT&T's 6.5 million).

<sup>30</sup> See *Comcast XFINITY® Voice: Residential*, xfinity, <https://www.xfinity.com/corporate/about/phonetermsofservice/comcastdigitalvoice/cdvresidential> (last visited May 15, 2026); *Spectrum Voice*, Spectrum, <https://www.spectrum.com/home-phone> (last visited May 15, 2026); *Cox Voice Preferred Home Phone*, Cox, <https://www.cox.com/residential/phone.html> (last visited May 15, 2026).

<sup>31</sup> See *Voice Telephone Services Report* at 12 (as of June 30, 2025, there were roughly 489,000 consumer-grade switched access voice connections and 2,199,000 consumer-grade interconnected VoIP connections in California); see also FCC, *Voice Telephone Services Report – State Subscriptions as of June 30, 2025* (May 2026), [https://www.fcc.gov/sites/default/files/VTS\\_State\\_Subscriptions\\_J24\\_to\\_J25.xlsx](https://www.fcc.gov/sites/default/files/VTS_State_Subscriptions_J24_to_J25.xlsx).

<sup>32</sup> *2024 Comms Marketplace Rep.*, 39 FCC Rcd. 14116, 14125 fig. II.A.4 (2024).

<sup>33</sup> See Verizon, *Verizon Financial and Operating Information*, at 9 (Apr. 27, 2026), <https://www.verizon.com/about/file/77795/download?token=fagvmEEg> (reporting over 6 million fixed wireless subscribers for Q1 2026); T-Mobile, *T-Mobile Delivers Best-in-Class Customer Results in Q4, Translating into Durable and Profitable Financial Growth Driven by Widening Differentiation* (Feb. 11, 2026), [https://s29.q4cdn.com/310188824/files/doc\\_financials/2025/q4/Q4-2025-Earnings-Release.pdf](https://s29.q4cdn.com/310188824/files/doc_financials/2025/q4/Q4-2025-Earnings-Release.pdf) (reporting over 8.4 million 5G broadband customers); *T-Mobile US Inc. Earnings Call*, at 3 (Apr. 28, 2026), [https://s29.q4cdn.com/310188824/files/doc\\_financials/2026/q1/TMUS-USQ\\_Transcript\\_2026-04-28.pdf](https://s29.q4cdn.com/310188824/files/doc_financials/2026/q1/TMUS-USQ_Transcript_2026-04-28.pdf) (reporting adding more than 500,000 net broadband customers for Q1 2026); Monica Allevan, *T-Mobile, Verizon FWA Subs Take Center Stage in Q1 Forecasts*, Fierce Network (Apr. 15, 2022), <https://www.fierce-network.com/wireless/t-mobile-verizon-fwa-takes-center-stage-q1-forecasts> (Verizon ended 2021 with 228,000 fixed wireless subscribers while T-Mobile ended 2021 with 646,000 fixed wireless subscribers).

has over 2.3 million subscribers.<sup>34</sup> Again, these networks blanket AT&T’s California service territory and cover the vast majority of AT&T’s California POTS customers.

*Satellite.* Finally, Affected Customers also can purchase VoIP services that run on top of satellite broadband connections. While the Commission has not yet recognized satellite as an “adequate replacement service,” it has observed that satellite may be a “widely available alternative.”<sup>35</sup> As the Commission has recognized, satellite is quickly emerging as an “innovative new [voice] service offering[.]”<sup>36</sup> Indeed, Starlink, Amazon LEO, Globalstar, and AST SpaceMobile are deploying and swiftly expanding their fleets of satellites in low-earth orbit (“LEO”) to offer voice and broadband service.<sup>37</sup> Satellite broadband speed and latency are

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<sup>34</sup> AT&T, *Financial and Operational Schedules & Non-GAAP Reconciliations*, at 6 (Apr. 22, 2026), [https://investors.att.com/~media/Files/A/ATT-IR-V2/financial-reports/quarterly-earnings/2026/1Q-2026/1Q26\\_ATT\\_Financial\\_and\\_Operational\\_Schedules\\_and\\_Non\\_GAAP\\_Reconciliations.pdf](https://investors.att.com/~media/Files/A/ATT-IR-V2/financial-reports/quarterly-earnings/2026/1Q-2026/1Q26_ATT_Financial_and_Operational_Schedules_and_Non_GAAP_Reconciliations.pdf).

<sup>35</sup> *Network Modernization Order* ¶ 39 (“Permitting third-party alternative voice service with access to 911 and substantially similar levels of network performance and availability as the service being discontinued to serve as a replacement service will enable innovative new service offerings, such as low-earth orbit satellite-based services, to qualify as replacement services without requiring the Commission to engage in additional time-consuming rulemaking proceedings ...”).

<sup>36</sup> *Id.*

<sup>37</sup> See, e.g., Starlink, *Progress Report 2024*, at 3 (2024), [https://starlink.com/public-files/starlinkProgressReport\\_2024.pdf](https://starlink.com/public-files/starlinkProgressReport_2024.pdf) (“In just over five years, SpaceX designed, deployed, and activated high-quality internet, which is now available for over 2.8 billion people around the world.”); Martyn Wingrove, *Second ULA Launch Doubles Amazon’s Kuiper Satellite Fleet*, Riviera (July 8, 2025), <https://www.rivieramm.com/news-content-hub/news-content-hub/second-ula-launch-doubles-amazon-kuiper-satellite-fleet-85363> (reporting that, in June 2025, Amazon’s LEO constellation doubled to 54); *Globalstar To Enter Next Era of Mobile Satellite Connectivity with Expanded Operational Frequencies*, Globalstar (Sept. 15, 2025), <https://investors.globalstar.com/news-releases/news-release-details/globalstar-enter-next-era-mobile-satellite-connectivity-expanded/> (announcing the deployment of its third-generation mobile satellite system, “which will include 48 additional satellites supported by approximately 90 new ground station antennas installed globally” and will provide service over the Big LEO frequency bands); AST Space Mobile, <https://ast-science.com/spacemobile-network/> (announcing the ongoing launches of its Next-Gen Bluebird satellites, which will provide coverage for millions of daily connections such as voice and video calls, texts, and streaming and

rapidly improving with LEO technology.<sup>38</sup> For example, Starlink has substantially increased its median upload and download speeds in the United States to 104.71/14.84 Mbps in 2025 and currently has the ability to deliver broadband speeds of 100/20 Mbps.<sup>39</sup> Recent Starlink updates have further “reduce[d] latency through laser-based inter-satellite links,” and Starlink can now “deliver[] latency as low as 12 milliseconds”—which not only is sufficient for real-time voice service but also can “mak[e] real-time applications like video calls and cloud gaming viable almost anywhere on Earth.”<sup>40</sup>

BEAD eligibility and funding for LEO mean that satellite VoIP’s presence across the Affected Service Area will increase and that more locations will have access to satellite VoIP. Indeed, over 40 percent of locations that received BEAD funding in California are slated for LEO satellite deployment, with SpaceX and Amazon the two largest winners by locations

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advertising its already-deployed satellites, which are ready to deliver broadband to billions of users worldwide). In addition, Viasat, which offers voice and broadband services, is partnering with LEO satellite operators to enhance its capabilities. *See Viasat Voice*, Viasat, <https://www.viasat.com/isg/voice/> (last visited May 15, 2026); *European Space Agency (ESA) and Viasat Partner on D2D*, Viasat (Jan. 28, 2025), <https://www.viasat.com/news/latest-news/corporate/2025/european-space-agency--esa--and-viasat-partner-on-d2d/>.

<sup>38</sup> *See* Mateusz Kaczmarek, *Satellite vs. Fiber Internet: The 2025 Latency & Bandwidth Showdown*, TechStock 2 (June 4, 2025), <https://ts2.tech/en/satellite-vs-fiber-internet-the-2025-latency-bandwidth-showdown/> (“Satellite internet (particularly modern LEO-based) has greatly improved and is now capable of supporting everyday activities—including streaming and video calls—that were once very challenging on satellite.”).

<sup>39</sup> Sue Marek, *Starlink’s U.S. Performance Is on the Rise, Making It a Viable Broadband Option in Some States*, Ookla (June 10, 2025), <https://www.ookla.com/articles/starlink-us-performance-2025>.

<sup>40</sup> Glanze Patrick, *Starlink Global Coverage Expands as Satellite Improves Internet Speed and Lower Latency*, Tech Times (Dec. 23, 2025), <https://www.techtimes.com/articles/313567/20251223/starlink-global-coverage-expands-satellite-improves-internet-speed-lower-latency.htm>.

overall.<sup>41</sup> As satellite broadband continues to improve and proliferate, it will be increasingly important in the broadband ecosystem, including for voice applications, and will make POTS irrelevant even in remote areas.

## **II. Additional Information Required By 47 C.F.R. §§ 63.71, 63.602 And 63.505**

As required by sections 63.71, 63.602, and 63.505 of the Commission's rules, AT&T provides the following additional information:

### **Name and Address of Carrier:**

Pacific Bell Telephone Company d/b/a AT&T California.

The address for purposes of this application is:

430 Bush Street, Sixth Floor  
San Francisco, CA 94108

### **Date of Planned Service Discontinuance:**

Effective on or after June 1, 2027,<sup>42</sup> pending regulatory approval, AT&T's Affected Service will be discontinued.

### **Points of Geographic Areas of Service Affected and Description of the Affected Service Area:**

AT&T plans to discontinue the Affected Service in the Affected Service Area in California. Exhibit 1 identifies the list of AT&T wire centers in California that include any service areas that fall within the Affected Service Area.

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<sup>41</sup> Cal. Pub. Utils. Comm'n, *California BEAD Final Proposal – Deployment Projects*, [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/broadband-implementation-for-california/bead/final-proposal/appendix-b---data-files-excel/final/fp\\_deployment\\_projects.csv](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/broadband-implementation-for-california/bead/final-proposal/appendix-b---data-files-excel/final/fp_deployment_projects.csv) (last visited May 15, 2026); Jake Neenan, *California Announces Grant Winners with BEAD Final Proposal*, BroadbandBreakfast (Dec. 3, 2025), <https://broadbandbreakfast.com/california-announces-grant-winners-with-bead-final-proposal/>.

<sup>42</sup> AT&T will of course continue to honor any term commitments in contracts with existing business POTS customers.

**Brief Description of the Type of Service Affected:**

AT&T plans to discontinue AT&T Business Local Exchange Access Line Service in the Affected Service Area. AT&T Business Local Exchange Access Line Service provides individual business customers with telecommunications service within a specified geographical area for local calling and access to and from the telecommunications network for long-distance service.

**Brief Description of the Dates and Method of Notice to All Affected Customers:**

Customer notices were sent via U.S. Mail on May 20, 2026.<sup>43</sup> Copies of this Application are being sent via first class U.S. Mail to the governor, public utility commission, and federally recognized tribes (if any) in the Affected Service Area, and to the Special Assistant for Telecommunications to the Secretary of War, as required by section 63.71(a) of the Commission's rules.<sup>44</sup>

**Regulatory Classification of Carrier:**

AT&T offers the Affected Service pursuant to non-dominant carrier regulation.

**Public Convenience and Necessity:**

As explained in the Introduction, the public convenience and necessity will be advanced, not impaired, by the discontinuance of the Affected Service. The demand for the Affected

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<sup>43</sup> Representative notices are attached as Exhibit 2. These notices also notified customers of AT&T's intent to grandfather the Affected Service in the wire centers included in this Application effective July 19, 2026. Because the Commission has waived the requirement to file applications to grandfather legacy services, this Application does not address this grandfathering action. *See* n.5, *supra*.

<sup>44</sup> Section 63.71(a) directs applicants to submit a copy of the application to the Secretary of Defense (now Secretary of War), Special Assistant for Telecommunications. However, due to restructuring within the Department of Defense, that position no longer exists. Commission staff has advised that a copy of the application be sent instead to the Department of Defense Chief Information Officer.

Service is very low, and it is not economically rational for AT&T to continue to provide it. As the Commission's recent *Network Modernization Order* recognizes, "incumbent LECs now hold[] a minority share of the voice services market."<sup>45</sup> That is true in AT&T's incumbent service territory in California.

Customers of the Affected Service have many voice alternatives to choose from, including services already found to be adequate replacements for POTS, such as APB-A and Verizon's mobile wireless service. Customers also have access to other wireless services available from T-Mobile and AT&T, in particular.

**Statement Identifying the Application as a Technology Transition (47 C.F.R. § 63.602(a)(2)):**

The proposed discontinuance constitutes a "technology transition"<sup>46</sup> because Affected Customers will be required to replace their TDM-based voice service with a different technology or transmission medium when AT&T discontinues legacy voice service in this area, as there is no other TDM-based voice service available in the Affected Service Area.

**Information Regarding the Price of the Service for Which Discontinuance Is Sought and the Price of the Proposed Replacement Service (47 C.F.R. § 63.602(a)(3)):**

The guidebook rate for AT&T Business Local Exchange Access Line Service in the vast majority of wire centers covered by this application is approximately \$2,700 per month, plus taxes, surcharges, and fees. In some areas it can be somewhat higher or lower. The price is before any applicable volume or term discounts. APB-A is offered as a service that includes the

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<sup>45</sup> *Network Modernization Order* ¶ 9.

<sup>46</sup> See 47 C.F.R. § 63.60(i) (defining a technology transition as "any change in service that would result in the replacement of a wireline TDM-based voice service with a service using a different technology of medium for transmission to the end user, whether internet Protocol (IP), wireless, or another type").

AT&T-owned and managed device installed at the customer's premises and is available for \$99.99 per month, plus taxes, surcharges, and fees. The price is before any applicable volume or term discounts.

Business customers also will realize substantial cost savings from APB-A's interoperability with legacy technologies and peripherals, which enables customers to extend the useable lifespan of their TDM-based devices.

**Certification That the Information Submitted in This Application Is True and Accurate (47 C.F.R. § 63.602(a)(4)):**

See the attached certification of authorized AT&T representative Susan Johnson at Exhibit 3.

**Applicable Tariff Listing (47 C.F.R. § 63.505(e)):**

APB-A is not a tariffed service.

**Name of Any Other Carrier or Carriers Providing Telephone Service to the Community (47 C.F.R. § 63.505(g)):**

As set forth above, a number of competitors offer voice services to some or all of the Affected Service Area via cable, fiber, fixed wireless, satellite, CMRS, or over-the-top services.

**Description of Any Previous Discontinuance, Reduction, or Impairment of Service to the Community Affected by the Application (47 C.F.R. § 63.605(j)):**

AT&T will grandfather the Affected Service in the Affected Service Area.<sup>47</sup>

**Number of Toll Messages (47 C.F.R. § 63.505(l)):**

The amount of toll traffic on AT&T's entire network has steadily decreased as its legacy voice customers have migrated to other wireline and wireless voice service providers. Toll traffic

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<sup>47</sup> See n.5, *supra*.

in the Affected Service Area is likely consistent with this overall trend, although AT&T does not track the monthly number of toll messages or toll revenues in the Affected Service Area.

### **III. The Application Also Satisfies The Requirements Of New Rule 63.71(f)**

AT&T has filed this Application under the Commission’s existing rules. The revised rules that the Commission adopted in the *Network Modernization Order* contain new or modified information collection requirements, and they are currently subject to Office of Management and Budget (OMB) review and are not yet effective.<sup>48</sup> However, as the Commission generally simplified the standards for technology transition discontinuance, AT&T’s Application generally satisfies the new rules the Commission has adopted.<sup>49</sup>

In this Application, AT&T relies on APB-A, which is a “facilities-based interconnected VoIP service” under new Rule 63.71(f)(2)(i).<sup>50</sup> APB-A meets all the definitional requirements of such a service under Rule 9.3.<sup>51</sup> Furthermore, as explained above, the Commission previously found that APB-A satisfied the Adequate Replacement Test under the 2016 *Technology Transitions Order*, as an adequate replacement for POTS.<sup>52</sup> APB-A in the Affected Service Area uses the same network architecture as in the prior, approved applications. As such, it is a “facilities-based interconnected VoIP service” under new Rule 63.71(f)(2)(i). Likewise, as reflected in the FCC’s National Broadband Map – Mobile, AT&T’s LTE network covers all

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<sup>48</sup> *Network Modernization Order* ¶ 120.

<sup>49</sup> As explained below, however, AT&T is providing the notice to its customers required by existing Rule 63.71(a).

<sup>50</sup> *Network Modernization Order*, app. A.

<sup>51</sup> 47 C.F.R. § 9.3 (defining “Interconnected VoIP service”).

<sup>52</sup> *See* n.9, *supra*.

Affected Customers.<sup>53</sup> Because APB-A is capable of operating over AT&T’s LTE network, APB-A is available to all Affected Customers.

Moreover, while APB-A alone constitutes an adequate replacement, customers of the Affected Service can choose from many other alternatives for voice service. These include Verizon’s mobile wireless service—a service already found to be an adequate replacement for POTS—as well as other wireless services, particularly from T-Mobile and AT&T.<sup>54</sup> AT&T’s mobile wireless service is a “facilities-based mobile wireless service” operating at the speeds of at least 5 Mbps download and 1 Mbps upload required under Rule 63.71(f)(2)(ii). Indeed, in the 360 wire centers, virtually all Affected Customers have access to at least two facilities-based mobile wireless services available.

In addition, AT&T’s notice satisfies new Rule 63.71(j), which requires notice to existing customers that AT&T is grandfathering a service they currently receive.<sup>55</sup> As described above, AT&T has sent notices to existing customers to effectuate grandfathering in the wire centers included in this Application.

AT&T also has complied with the notice provisions of Rule 63.71(a), including the statement describing the objection process contained in existing Rule 63.71(a)(5). As described above, customer notices were sent via U.S. Mail on May 20, 2026. Copies of this Application are

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<sup>53</sup> See n.18, *supra*.

<sup>54</sup> See n.11, *supra* (“AT&T’s and T-Mobile’s mobile voice services do not differ from Verizon’s in any way relevant to the Adequate Replacement Test and, as a practical matter, should also be considered adequate replacements for POTS service as well. In all events, the *Network Modernization Order* has conclusively determined that facilities-based mobile wireless service is an adequate replacement service. See *Network Modernization Order* ¶ 34.”).

<sup>55</sup> See *Network Modernization Order*, app. A (“Such notice shall include (i) an approximate date by which it intends to seek to permanently discontinue the service, and (ii) a statement regarding alternative services available in the affected service area.”).

being sent via first class U.S. Mail to the governor, public utility commission, and federally recognized tribes (if any) in the Affected Service Area, and to the Special Assistant for Telecommunications to the Secretary of War, as required by new Rule 63.71(a).<sup>56</sup>

\* \* \*

Questions about this application may be addressed to Meredith Williams, AT&T Services, Inc., AVP – Federal Regulatory, 601 New Jersey Ave NW, Suite 650, Washington, DC, (202) 227-9725.

### CONCLUSION

For the reasons identified above, the public convenience and necessity will not be adversely affected by the discontinuance of the Affected Service. AT&T respectfully requests the Commission approve its section 63.71 Application to discontinue services.

By: /s/ Brett Farley

BRETT FARLEY  
CHRISTOPHER HEIMANN  
DAVID CHORZEMPA  
DAVID LAWSON  
AT&T SERVICES, INC.  
601 New Jersey Ave NW, Suite 650  
Washington, DC 20001

May 20, 2026

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<sup>56</sup> See n.44, *supra*.

# **Exhibit 1**

## List of Affected Wire Centers

*Sections of California:* Certain areas currently served by the following wire centers:

Albany-Solano (ALBYCA11), Alhambra (ALHBCA01), Anaheim-Lemon (ANHMCA01),  
Anaheim-Cypress (ANHMCA11), Anaheim-La Palma (ANHMCA12), Antioch (ANTCCA11),  
Arcadia (ARCDCA11), Arcata (ARCTCA11), Aromas (ARMSCA11), Anderson (ARSNCA11),  
Arlington (ARTNCA11), Arvin (ARVNCA11), Atwater (ATWRCA12), Avenal (AVNLCA12),  
N Tahoe Brockway (BCWYCA11), Beale-Msvl Sterling (BEALCA11), Bell (BELLCA11),  
Biggs (BGGSCA11), Bakersfield-Empire (BKFDCA11), Bakersfield-Main (BKFDCA12),  
Bakersfield-Columbus (BKFDCA13), Bakersfield-Temple (BKFDCA14), Bakersfield-Mettler  
(BKFDCA15), Bakersfield-West (BKFDCA17), Bakersfield-Nomad (BKFDCA19), Berkeley-  
Bancroft (BKLYCA01), Benicia (BNCICA11), Ben Lomond (BNLMCA11), Buena Park  
(BNPKCA11), Burbank-Palm (BRBNCA11), Bradley (BRDLCA90), Brea (BREACA12),  
Burlingame (BRLNCA01), Brentwood (BRWDCA12), Brawley (BRWLCA11), Bishop Ranch  
(BSRNCA70), Butte City (BTCYCA11), Bethel Island (BTISCA11), Burrel (BURLCA11),  
Beverly Hills (BVHLCA01), Bear Valley (BVLYCA11), Bear Valley Springs (BVSPCA11),  
Cobb Mountain (CBMTCA11), Chualar (CHLRCA11), Chula Vista-Third Avenue  
(CHVSCA11), Chula Vista Apache (CHVSCA12), Chowchilla (CHWCCA11), Culver City  
(CLCYCA11), Calipatria (CLPTCA11), Calistoga (CLSTCA11), Clovis (CLVSCA11), Calexico  
(CLXCCA12), Compton (CMTNCA01), Concord (CNCRCA01), Colma (COLACA01),  
Cordelia (CORDCA12), Corona (CORNCA11), Colton (COTNCA11), Crockett (CRCTCA02),  
Corona Del Mar (CRDMCA11), Carlsbad-La Costa (CRLSCA12), Corning (CRNGCA12),  
Caruthers (CRTHCA11), Costa Mesa (CSMSCA11), Crows Landing (CWLDCAL2), Coyote  
Wells (CYWLCA11), Danville (DAVLCA12), Tassajara (DAVLCA13), Davis (DAVSCA11),

Delano (DELNCA11), Dinuba (DINBCA01), Dixon (DIXNCA11), Del Mar (DLMRCA12), Del Rey (DLRYCA11), Dunnigan (DNGNCA12), Dunsmuir (DNSMCA11), El Cajon (ELCJCA11), El Centro (ELCNCA01), Rich-Appian Way (ELSBCA11), El Segundo-Douglas (ELSGCA12), El Toro (ELTRCA11), Encinitas (ENCTCA12), Earlimart (ERLMCA11), Escalon (ESCLCA11), Escondido (ESCNCA01), Esparto (ESPRCA11), Felton (FETNCA11), Flsm-Nimbus (FLSMCA12), Flsm-El Dorado (FLSMCA13), Fontana (FNTACA11), Firebaugh (FRBHCA11), Fremont-Main (FRMTCA11), Fair Oaks (FROKCA11), Fresno-Main (FRSNCA01), Fresno-Baldwin (FRSNCA11), Fresno-Clinton (FRSNCA12), Fresno-Sierra (FRSNCA13), Fresno-West (FRSNCA14), Fresno-Woodward (FRSNCA15), Farmersville (FRVLCA11), Fortuna (FTUNCA11), Fullerton (FUTNCA01), Five Points (FVPNCA11), Frazier Park (FZPKCA11), Galt (GALTCA11), Glendale (GLDLCA11), Gonzales (GNZLCA11), Gerber (GRBRCA11), Gridley (GRDLCA11), Gardena (GRDNCA01), Grenada (GRNDCA13), Goshen (GSHNCA11), Gustine (GUSTCA11), Geyserville (GYVLCA11), Herald (HERLCA11), Highland (HGLDCA11), Hughson (HGSNCA11), Holtville (HLVLCA11), Hollywood (HLWDCA01), Hamilton City (HMCYCA11), Homewood (HMWDCA11), Hanford (HNFRC01), Huntington Park (HNPCKA01), Hopland (HPLDCA12), Huron (HURNCA11), Hayward-Depot Ct (HYWRCA11), Ignacio (IGNCCA12), Imperial (IMPRCA11), Ione (IONECA11), Irvine-Main (IRVNCA01), Irvine-Spectrum (IRVNCA12), Ivanhoe (IVNHCA11), Jamul (JAMLCA60), Jackson (JCSNCA01), Kingsburg (KGBGCA11), Kelseyville (KLVLC12), Knights Ferry (KNFYCA11), Kyburz (KYBRCA11), La Canada-Oak Grove (LACNCA11), La Crescenta (LACRCA11), La Jolla-Girard (LAJLCA11), La Mesa (LAMSCA01), Lamont (LAMTCA11), Laton (LATNCA11), Lockeford (LCFRCA11), Lebec-Main (LEBCCA11), Lemoore-Main (LEMRC11), Lemoore-Wyman

(LEMCA12), Lafayette (LFYTCA11), Laguna Niguel (LGNGCA12), Le Grand (LGRDCA11), La Grange (LGRNCA12), Lakeport (LKPTCA02), Lincoln (LNCLCA11), Lodi (LODICA01), Loleta (LOLTCA11), Loomis (LOMSCA11), Lomita (LOMTCA11), Larkspur (LRKSCA11), Lsan-Madison 02 (LSANCA02), Lsan-Madison 03 (LSANCA03), Lsan-Pleasant (LSANCA05), Lsan-Union (LSANCA06), Lsan-Airport (LSANCA07), Lsan-Melrose (LSANCA08), Lsan-Richmond (LSANCA09), Lsan-Webster (LSANCA10), Lsan-Rampart (LSANCA11), Lsan-Normandy (LSANCA12), Lsan-Plymouth (LSANCA13), Lsan-Adams (LSANCA14), Lsan-Axminster (LSANCA15), Lsan-Capitol (LSANCA23), Lsan-Sunset (LSANCA29), Lsan-Angelus (LSANCA34), Lsan-Montebello (LSANCA35), Lsan-Republic (LSANCA38), Los Banos (LSBNCA12), Los Molinos (LSMLCA11), Live Oak (LVOKCA11), Madera-Bonadelle (MADRCA12), Marina (MARNCA11), Modesto-Main (MDSTCA02), Modesto-Kellog (MDSTCA03), Modesto-Kingswood (MDSTCA04), Modesto-Tally (MDSTCA05), Modesto-Davis (MDSTCA52), Middletown (MDTWCA11), Mokelumne Hill (MKHLCA12), Mckinleyville (MKVLCA11), Millbrae (MLBRCA11), Mendota (MNDTCA11), Mojave (MOJVCA01), Moraga (MORGCA12), Merced (MRCDCA01), Meridian (MRDNCA11), Moorpark (MRPKCA12), Mission Viejo (MSVJCAAT), Mountain Pass (MTPSCA11), Monterey (MTRYCA01), Mt Shasta (MTSHCA12), Mountain View (MTVWCA11), Marysville (MYVICA01), Nicolaus (NCLSCA12), Newhall (NHLLCA01), Nhwd-Lankershim (NHWDCA01), Nhwd-Magnolia (NHWDCA02), Nice (NICECA11), Niland Main (NILDCA11), Niland Bombay Beach (NILDCA12), Nipomo (NIPMCA11), Northridge (NORGCA11), Nscr-Wabash (NSCRCA11), Nscr-North Natomas (NSCRCA12), National City-Highland (NTCYCA11), Newcastle (NWCSCA11), Newman (NWMNCA12), Oceanside-Mission (OCSDCA11), Oakdale (OKDLCA11), Okld-45Th (OKLDCA11), Okld-Holly

(OKLDCA12), Okld-Mountain (OKLDCA13), Oakley (OKLYCA11), Orange Cove (ORCVCA11), Orland (ORLDCA11), Orinda (ORNDCA11), Orange-Chapman (ORNGCA11), Orange-Olive (ORNGCA13), Orosi (ORSICA11), Orangevale (ORVACA11), Otay Mesa (OTMSCA11), Pacifica (PCFCCA11), Pedley (PDLYCA11), Palo Alto-Main (PLALCA02), Palo Alto-South (PLALCA12), Pleasant Grove (PLGVCA12), Planada (PLNDCA11), Pleasanton-Main (PLTNCA12), Pleasanton-Hacienda (PLTNCA13), Placerville-Main (PLVLCA11), Pepperwood (PPWDCA11), Paradise-Main (PRDSCA11), Parlier (PRLRCA11), Paramount (PRMTCA01), Pittsburg-Main (PSBGCA01), Pittsburg-Willow (PSBGCA11), Pismo Beach (PSBHCA11), Pixley (PXLYCA11), Rancho Bernardo (RBRNCA11), Rocklin 11 (RCKLCA11), Richmond (RCMDCA11), Richvale (RCVACA11), Redwood City (RDCYCA01), Redding-Main (RDNGCA02), Redding-Enterprise (RDNGCA11), Rio Dell (RIDECA11), RIo Linda (RILNCA12), Rialto (RILTCA11), Rancho Murieta (RNMRC A11), Rancho Penasquitos (RNPSCA11), Rancho San Diego (RNSDCA11), Rosemead (ROSMCA11), Rancho Santa Fe (RSFECA12), Rosamond (RSMDCA11), Rohnert Park (RTPKCA11), Riverdale (RVDLCA11), Riverbank (RVRBCA11), Riverside-Orange (RVSDCA01), Riverside-Woodcrest (RVSDCA11), Santee (SANTCA01), Scrm-Main (SCRMCA01), Scrm-Garden (SCRMCA03), Scrm-Gladstone (SCRMCA11), Scrm-Empire (SCRMCA12), Scrm-Fruitridge (SCRMCA13), Scotts Valley (SCVYCA01), Selma (SELMCA11), Seaside (SESDCA11), South Gate (SGATCA01), Shingle Springs (SGSPCA11), Shafter (SHFTCA11), Sherman Oaks (SHOKCA01), Stockton-Main (SKTNCA01), Stockton-Granite (SKTNCA11), Stockton-Ashley (SKTNCA12), Stockton-Redwood (SKTNCA14), Soledad (SLDDCA11), Solamint (SLMNCA11), Salinas-Main (SLNSCA01), Salinas-Hickory (SLNSCA11), Salinas-Glenview (SLNSCA12), Moro (SLNSCA14), Silverado (SLVRCA11), Santa Ana-Bristol (SNANCA11),

Santa Ana-Bolsa (SNANCA12), San Carlos (SNCRCA11), Sndg-C Street (SNDGCA01), Sndg-University (SNDGCA02), Sndg-Linda Vista (SNDGCA03), Sndg-Saipan (SNDGCA05), Sndg-37Th Street (SNDGCA06), Sndg-College (SNDGCA11), Sndg-Market (SNDGCA12), Sndg-Regents (SNDGCA15), Sndg-Mira Mesa (SNDGCA16), Snfc-Mccoppin (SNFCCA04), Snfc-25Th Street (SNFCCA05), Snfc-Onondaga (SNFCCA06), Snfc-9Th Avenue (SNFCCA13), Snfc-3Rd Street (SNFCCA17), Snfc-Folsom St (SNFCCA21), Snfc-U C Med Center (SNFCCA64), San Gabriel (SNGBCA01), San Geronimo (SNGNCA11), San Jose-Main (SNJSCA02), San Jose-Chynoweth (SNJSCA13), San Jose-Foxworthy (SNJSCA14), San Jose-Junction Avenue (SNJSCA21), San Lucas (SNLCCA11), San Martin (SNMACA11), San Marcos (SNMCCA11), San Mateo (SNMTCA11), Milton (SNRACA13), San Rafael-Main (SNRFCA01), San Ramon (SNRMCA11), Space Park (SNTCCA01), Bellomy (SNTCCA11), Carroll (SNVACA01), Mathilda (SNVACA11), San Ysidro (SNYSCA12), South Pasadena-Mission (SPSDCA11), Stratford (SRFRCA11), South Tahoe-Tamarack (STAHCA12), South Tahoe-Meyers (STAHCA13), Suison City (SUISCA11), Thornton (THTNCA11), Tipton (TPTNCA11), Terra Bella (TRBLCA11), Turlock (TRLCCA11), Tulare (TULRCA11), Tustin-Main (TUSTCA11), Tustin-Redhill (TUSTCA70), Twain Harte (TWHRCA11), Union City (UNCYCA11), Vina (VINACA12), Visalia (VISLCA11), Vista (VISTCA12), Van Nuys (VNNYCA02), Ventura-Main (VNTRCA11), Valley Ford (VYFRCA11), Wasco (WASCCA01), Woodland (WDLCA11), Woodlake (WDLKCA11), Weed (WEEDCA01), Century City (WLANCA01), Walnut Creek (WNCKCA11), Windsor (WNDSCA11), Frontier (WSCRCA11), Waterford (WTFRCA11), Yorba Linda (YRLNCA11)

# **Exhibit 2**

May 20, 2026



### **Important Update About Your AT&T Business Customer Individual Access Line Service<sup>1</sup>**

Thank you for using AT&T for your business service needs. We know that businesses today rely on high-speed, reliable connectivity, and only AT&T can bring you the best and largest network to help you connect your business. That's why we're upgrading traditional landline phone service in your area to new, enhanced solutions that are more reliable and affordable. Our records show that you currently have service in at least one of the areas impacted by these updates. You can see the addresses where your service is being upgraded below.<sup>2</sup>

#### **Upgrading your traditional phone service:**

Our customers are asking for faster and more reliable service, so we're upgrading our network in California to give you connectivity you can count on for everyday needs. California's aging copper network doesn't deliver the same level of service, quality and reliability as newer technology. Now, we have more ways to connect than ever before, with newer, faster, technology that is more reliable, energy efficient, and affordable. As we upgrade our network across the country, we're doing the same in California and delivering better technology for our customers across the state.

**As part of this transition, your traditional phone service, known as AT&T Business Customer Individual Access Line Service, will be discontinued on or after 06/01/2027.**

We know how important it is to stay connected, and we're here to make this transition easy for you. We have enhanced, more reliable options for you to better support your business needs and stay connected: AT&T Phone for Business – Advanced, AT&T Business Voice, AT&T Office@Hand, and AT&T IP Flexible Reach.

#### **Here's what you can expect over the next year:**

- We'll send additional information over the coming months regarding this transition and how you can upgrade your service.
- We'll no longer accept new orders, renewal of service agreements, or requests for physical changes, including moves to different service addresses, for traditional phone service in your area, effective on or after **07/19/2026**. You will continue to be able to make phone calls using your existing service until on or after **06/01/2027**, when we will stop providing service, pending FCC approval.
- You will need to contact your Account Manager to update your traditional landline phone service before **06/01/2027**. We want to help you upgrade your service, so you continue to have access to phone service and 911. Please call 855-235-0900 to understand your options for phone service from AT&T.

We look forward to continuing to serve you and providing a better and more reliable experience for your business needs.

Sincerely,

AT&T Business Services  
208 S. Akard Street  
Dallas, TX 75202  
[www.business.att.com](http://www.business.att.com)

<sup>1</sup>In some circumstances, AT&T Business Customer Individual Access Line Service may also be referred to as Measured Rate Business Service.

<sup>2</sup>In the areas impacted by this notice, your traditional landline phone service is called AT&T Business Customer Individual Access Line Service and is provided by Pacific Bell Telephone Company, d/b/a AT&T California. A complete list of impacted areas is attached.





### List of Impacted Wire Centers

#### California

Albany-Solano (ALBYCA11), Alhambra (ALHBCA01), Anaheim-Lemon (ANHMCA01), Anaheim-Cypress (ANHMCA11), Anaheim-La Palma (ANHMCA12), Antioch (ANTCCA11), Arcadia (ARCDCA11), Arcata (ARCTCA11), Aromas (ARMSCA11), Anderson (ARSNCA11), Arlington (ARTNCA11), Arvin (ARVNCA11), Atwater (ATWRCA12), Avenal (AVNLCA12), N Tahoe Brockway (BCWYCA11), Beale-Msvl Sterling (BEALCA11), Bell (BELLCA11), Biggs (BGGSCA11), Bakersfield-Empire (BKFDCA11), Bakersfield-Main (BKFDCA12), Bakersfield-Columbus (BKFDCA13), Bakersfield-Temple (BKFDCA14), Bakersfield-Mettler (BKFDCA15), Bakersfield-West (BKFDCA17), Bakersfield-Nomad (BKFDCA19), Berkeley-Bancroft (BKLYCA01), Benicia (BNCICA11), Ben Lomond (BNLMCA11), Buena Park (BNPKCA11), Burbank-Palm (BRBNCA11), Bradley (BRDLCA90), Brea (BREACA12), Burlingame (BRLNCA01), Brentwood (BRWDCA12), Brawley (BRWLCA11), Bishop Ranch (BSRNCA70), Butte City (BTCYCA11), Bethel Island (BTISCA11), Burrel (BURLCA11), Beverly Hills (BVHLCA01), Bear Valley (BVLYCA11), Bear Valley Springs (BVSPCA11), Cobb Mountain (CBMTCA11), Chualar (CHLRCA11), Chula Vista-Third Avenue (CHVSCA11), Chula Vista Apache (CHVSCA12), Chowchilla (CHWCCA11), Culver City (CLCYCA11), Calipatria (CLPTCA11), Calistoga (CLSTCA11), Clovis (CLVSCA11), Calexico (CLXCCA12), Compton (CMTNCA01), Concord (CNCRCA01), Colma (COLACA01), Cordelia (CORDCA12), Corona (CORNCA11), Colton (COTNCA11), Crockett (CRCTCA02), Corona Del Mar (CRDMCA11), Carlsbad-La Costa (CRLSCA12), Corning (CRNGCA12), Caruthers (CRTHCA11), Costa Mesa (CSMSCA11), Crows Landing (CWLDCA12), Coyote Wells (CYWLCA11), Danville (DAVLCA12), Tassajara (DAVLCA13), Davis (DAVSCA11), Delano (DELNCA11), Dinuba (DINBCA01), Dixon (DIXNCA11), Del Mar (DLMRCA12), Del Rey (DLRYCA11), Dunnigan (DNGNCA12), Dunsuir (DNSMCA11), El Cajon (ELCJCA11), El Centro (ELCNCA01), Rich-Appian Way (ELSBCA11), El Segundo-Douglas (ELSGCA12), El Toro (ELTRCA11), Encinitas (ENCTCA12), Earlimart (ERLMCA11), Escalon (ESCLCA11), Escondido (ESCNCA01), Esparto 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Irvine-Spectrum (IRVNCA12), Ivanhoe (IVNHCA11), Jamul (JAMLCA60), Jackson (JCSNCA01), Kingsburg (KGBGCA11), Kelseyville (KLVCA11), Knights Ferry (KNFYCA11), Kyburz (KYBRCA11), La Canada-Oak Grove (LACNCA11), La Crescenta (LACRCA11), La Jolla-Girard (LJLCA11), La Mesa (LAMSCA01), Lamont (LAMTCA11), Laton (LATNCA11), Lockeford (LCFRCA11), Lebec-Main (LEBCCA11), Lemoore-Main (LEMRC11), Lemoore-Wyman (LEMRC12), Lafayette (LFYTCA11), Laguna Niguel (LNGNCA12), Le Grand (LGRDCA11), La Grange (LGRNCA12), Lakeport (LKPTCA02), Lincoln (LNCLCA11), Lodi (LODICA01), Loleta (LOLTCA11), Loomis (LOMSCA11), Lomita (LOMTCA11), Larkspur (LRKSCA11), Lsan-Madison 02 (LSANCA02), Lsan-Madison 03 (LSANCA03), Lsan-Pleasant (LSANCA05), Lsan-Union (LSANCA06), Lsan-Airport (LSANCA07), Lsan-Melrose (LSANCA08), Lsan-Richmond (LSANCA09), Lsan-Webster (LSANCA10), Lsan-Rampart (LSANCA11), Lsan-Normandy (LSANCA12), Lsan-Plymouth (LSANCA13), Lsan-Adams (LSANCA14), Lsan-Axminster (LSANCA15), Lsan-Capitol (LSANCA23), Lsan-Sunset (LSANCA29), Lsan-Angelus (LSANCA34), Lsan-Montebello (LSANCA35), Lsan-Republic (LSANCA38), Los Banos (LSBNCA12), Los Molinos (LSMLCA11), Live Oak (LVOKCA11), Madera-Bonadelle (MADRCA12), Marina (MARNCA11), Modesto-Main (MDSTCA02), Modesto-Kellog (MDSTCA03), Modesto-Kingswood (MDSTCA04), Modesto-Tally (MDSTCA05), Modesto-Davis (MDSTCA52), Middletown (MDTWCA11), Mokelumne Hill (MKHLCA12), Mckinleyville (MKVLCA11), Millbrae (MLBRCA11), Mendota (MNDTCA11), Mojave (MOJVCA01), Moraga (MORGCA12), Merced (MRCDCA01), Meridian (MRDNCA11), Moorpark (MRPKCA12), Mission Viejo (MSVJCAAT), Mountain Pass (MTPSCA11), Monterey (MTRYCA01), Mt Shasta (MTSHCA12), Mountain View (MTVWCA11), Marysville (MYVICA01), Nicolaus (NCLSCA12), Newhall (NHLLCA01), Nhw-d-Lankershim (NHWDC11), Nhw-d-Magnolia (NHWDC12), Nice (NICECA11), Niland Main (NILDCA11), Niland Bombay Beach (NILDCA12), Nipomo (NIPMCA11), Northridge (NORGCA11), Nscr-Wabash (NSCRCA11), Nscr-North Natomas (NSCRCA12), National City-Highland (NTCYCA11), Newcastle (NWSCA11), Newman (NWMNCA12), Oceanside-Mission (OCSDCA11), Oakdale (OKDLCA11), Okld-45Th (OKLDCA11), Okld-Holly (OKLDCA12), Okld-Mountain (OKLDCA13), Oakley (OKLYCA11), Orange Cove (ORCVCA11), Orland (ORLDCA11), Orinda (ORNDCA11), Orange-Chapman (ORNGCA11), Orange-Olive (ORNGCA13), Orosi (ORSICA11), Orangevale (ORVACA11), Otay Mesa (OTMSCA11), Pacifica (PCFCCA11), Pedley (PDLYCA11), Palo Alto-Main (PLALCA02), Palo Alto-South (PLALCA12), Pleasant Grove (PLGVCA12), Planada (PLNDCA11), Pleasanton-Main (PLTNCA12), Pleasanton-Hacienda (PLINCA13), Placerville-Main (PLVLCA11), Pepperwood (PPWDCA11), Paradise-Main (PRDSCA11), Parlier (PRLRCA11), Paramount (PRMTCA01), Pittsburg-Main (PSBGCA01), Pittsburg-Willow (PSBGCA11), Pismo Beach (PSBHCA11), Pixley (PXYLYCA11), Rancho Bernardo (RBRNCA11), Rocklin 11 (RCKLCA11), Richmond (RCMDCA11), Richvale (RCVACA11), Redwood City (RDCYCA01), Redding-Main (RDNGCA02), Redding-Enterprise (RDNGCA11), Rio Dell (RIDECA11), Rio Linda (RILNCA12), Rialto (RILTCA11), Rancho Murieta (RNMRC11), Rancho Penasquitos (RNPSCA11), Rancho San Diego (RNSDCA11), Rosemead (ROSMCA11), Rancho Santa Fe (RSFECA12), Rosamond (RSMDCA11), Rohnert Park (RTPKCA11), Riverdale (RVDLCA11), Riverbank (RVRBCA11), Riverside-Orange (RVSDCA01), Riverside-Woodcrest (RVSDCA11), Santee (SANTCA01), Scrm-Main (SCRMCA01), Scrm-Garden (SCRMCA03), Scrm-Gladstone (SCRMCA11), Scrm-Empire (SCRMCA12), Scrm-Fruitridge (SCRMCA13), Scotts Valley (SCVYCA01), Selma (SELMCA11), Seaside (SESDCA11), South Gate (SGATCA01), Shingle Springs (SGSPCA11), Shafter (SHFTCA11), Sherman Oaks (SHOKCA01), Stockton-Main (SKTNCA01), Stockton-Granite (SKTNCA11), Stockton-Ashley (SKTNCA12), Stockton-Redwood (SKTNCA14), Soledad (SLDDCA11), Solamint (SLMNCA11), Salinas-Main (SLNSCA01), Salinas-Hickory (SLNSCA11), Salinas-Glenview (SLNSCA12), Moro (SLNSCA14), Silverado (SLVRCA11), Santa Ana-Bristol (SNANCA11), Santa Ana-Bolsa (SNANCA12), San Carlos (SNCRCA11), Sndg-C Street (SNDGCA01), Sndg-University (SNDGCA02), Sndg-Linda Vista (SNDGCA03), Sndg-Saipan (SNDGCA05), Sndg-37Th Street (SNDGCA06), Sndg-College (SNDGCA11), Sndg-Market (SNDGCA12), Sndg-Regents (SNDGCA15), Sndg-Mira Mesa (SNDGCA16), Snc-Mccoppin (SNFCCA04), Snc-25Th Street (SNFCCA05), Snc-Onondaga (SNFCCA06), Snc-9Th Avenue (SNFCCA13), Snc-3Rd Street (SNFCCA17), Snc-Folsom St (SNFCCA21), Snc-U C Med Center (SNFCCA64), San Gabriel (SNGBCA01), San Geronimo (SNGNCA11), San Jose-Main (SNJSCA02), San Jose-Chynoweth (SNJSCA13), San Jose-Foxworthy (SNJSCA14), San Jose-Junction Avenue (SNJSCA21), San Lucas (SNLCCA11), San Martin (SNMACA11), San Marcos (SNMCCA11), San Mateo (SNMTCA11), Milton (SNRACA13), San Rafael-Main (SNRFCA01), San Ramon (SNRMCA11), Space Park (SNTCCA01), Bellomy (SNTCCA11), Carroll (SNVACA01), Mathilda (SNVACA11), San Ysidro (SNYSCA12), South Pasadena-Mission (SPSDCA11), Stratford (SRFRCA11), South Tahoe-Tamarack (STAHA12), South Tahoe-Meyers (STAHCA13), Suison City (SUISCA11), Thornton (THTNCA11), Tipton (TPTNCA11), Terra Bella (TRBLCA11), Turlock (TRLCCA11), Tulare (TULRCA11), Tustin-Main (TUSTCA11), Tustin-Redhill (TUSTCA70), Twain Harte (TWHRCA11), Union City (UNCYCA11), Vina (VINACA12), Visalia (VISLCA11), Vista (VISTCA12), Van Nuys (VNNYCA02), Ventura-Main (VNTRCA11), Valley Ford (VYFRCA11), Wasco (WASCA01), Woodland (WDLKCA11), Woodlake (WDLKCA11), Weed (WEEDCA01), Century City (WLANCA01), Walnut Creek (WNCKCA11), Windsor (WNDSCA11), Frontier (WSCRCA11), Waterford (WTFRCA11), Yorba Linda (YRLNCA11)

## **Important Information Regarding AT&T Phone for Business – Advanced (APB-A)**

### ***Lack of Line Power***

AT&T Phone for Business – Advanced (APB-A) does not provide line power. However, in the event of a power outage APB-A has a built-in, rechargeable battery backup that provides up to 24 hours of power on standby.

### ***Backup Power***

- *Capability to Accept Backup Power.* If there is an electrical power outage that affects the electricity to your business location, your APB-A device will continue to function by using its built-in backup battery.
- *The APB-A device includes a 24-hour battery backup at no additional cost.* APB-A is offered as a service (aaS) that features AT&T-owned and managed devices installed at the customer's premises. Should the APB-A device or battery become inoperable, AT&T will replace the APB-A device for as long as the customer retains APB-A as a service.
- *Service Limitations with and without Backup Power.* The backup battery will power the APB-A service, but it will not power other customer owned equipment like medical and security-monitoring systems. To maximize battery life during a power outage, customers should minimize usage of APB-A.

### ***Expected Backup Power Duration***

The internal backup battery will power the APB-A service for 24 hours on standby.

### ***Proper Usage and Storage Conditions, Including the Impact on Duration of Failing to Adhere to Proper Usage and Storage***

Since the backup battery is integrated into the APB-A device, it should be maintained under the same conditions as the device. The APB-A device should be used inside the business location, keeping the internal temperature between 32 °F and 113 °F (0 °C and 45 °C). Storing the device at higher or lower temperatures could adversely impact the duration of backup power available from the battery.

### ***Subscriber Backup Power Self-Testing and -Monitoring Instructions***

The built-in backup battery is part of the APB-A device. No testing is necessary on the battery as long as the APB-A service is active.

### ***APB-A Device Service Assurance Details***

*The APB-A device includes a 24-hour battery backup at no additional cost.* AT&T Phone for Business – Advanced is offered as a service (aaS) that features AT&T-owned and managed devices installed at the customer's premises. Should the APB-A device or battery become inoperable, AT&T will replace the APB-A device for as long as the customer retains APB-A as a service.

### ***Security Responsibilities and Other Steps You May Take to Ensure Safe Use of APB-A***

As noted above, in the event of a power outage, APB-A device has a built-in battery backup that can provide power for 24 hours. However, if the device does not have electrical or battery power, APB-A service will not work, including emergency 911 service. The APB-A device should remain plugged into an electrical power source for the service to continue working and to ensure that the battery remains fully charged.

May 20, 2026



### **Important Update About Your AT&T Business Customer Individual Access Line Service<sup>1</sup> and AT&T Residential Local Service**

Thank you for using AT&T for your business service needs. We know that businesses today rely on high-speed, reliable connectivity, and only AT&T can bring you the best and largest network to help you connect your business. That's why we're upgrading traditional landline phone service in your area to new, enhanced solutions that are more reliable and affordable. Our records show that you currently have service in at least one of the areas impacted by these updates. You can see the addresses where your service is being upgraded below.<sup>2</sup>

#### **Upgrading your traditional phone service:**

Our customers are asking for faster and more reliable service, so we're upgrading our network in California to give you connectivity you can count on for everyday needs. California's aging copper network doesn't deliver the same level of service, quality and reliability as newer technology. Now, we have more ways to connect than ever before, with newer, faster, technology that is more reliable, energy efficient, and affordable. As we upgrade our network across the country, we're doing the same in California and delivering better technology for our customers across the state.

**As part of this transition, your traditional phone service, known as AT&T Business Customer Individual Access Line Service and AT&T Residential Local Service, will be discontinued on or after 06/01/2027.**

We know how important it is to stay connected, and we're here to make this transition easy for you. We have an enhanced, more reliable option for you to better support your business needs and stay connected: AT&T Phone for Business – Advanced.

#### **Here's what you can expect over the next year:**

- We'll send additional information over the coming months regarding this transition and how you can upgrade your service.
- We'll no longer accept new orders, renewal of service agreements, or requests for physical changes, including moves to different service addresses, for traditional phone service in your area, effective on or after **07/19/2026**. You will continue to be able to make phone calls using your existing service until on or after **06/01/2027**, when we will stop providing service, pending FCC approval.
- You will need to contact your Account Manager to update your traditional landline phone service before **06/01/2027**. We want to help you upgrade your service, so you continue to have access to phone service and 911. Please call 855-235-0900 to understand your options for phone service from AT&T.

We look forward to continuing to serve you and providing a better and more reliable experience for your business needs.

Sincerely,

AT&T Business Services  
208 S. Akard Street  
Dallas, TX 75202  
[www.business.att.com](http://www.business.att.com)

<sup>1</sup>In some circumstances, AT&T Business Customer Individual Access Line Service may also be referred to as Measured Rate Business Service.

<sup>2</sup>In the areas impacted by this notice, your traditional landline phone service is called AT&T Business Customer Individual Access Line Service or AT&T Residential Local Service and is provided by Pacific Bell Telephone Company, d/b/a AT&T California. A complete list of impacted areas is attached.







### List of Impacted Wire Centers

#### California

Albany-Solano (ALBYCA11), Alhambra (ALHBCA01), Anaheim-Lemon (ANHMCA01), Anaheim-Cypress (ANHMCA11), Anaheim-La Palma (ANHMCA12), Antioch (ANTCCA11), Arcadia (ARCDCA11), Arcata (ARCTCA11), Aromas (ARMSCA11), Anderson (ARSNCA11), Arlington (ARTNCA11), Arvin (ARVNCA11), Atwater (ATWRCA12), Avenal (AVNLCA12), N Tahoe Brockway (BCWYCA11), Beale-Msvl Sterling (BEALCA11), Bell (BELLCA11), Biggs (BGGS11), Bakersfield-Empire (BKFDCA11), Bakersfield-Main (BKFDCA12), Bakersfield-Columbus (BKFDCA13), Bakersfield-Temple (BKFDCA14), Bakersfield-Mettler (BKFDCA15), Bakersfield-West (BKFDCA17), Bakersfield-Nomad (BKFDCA19), Berkeley-Bancroft (BKLYCA01), Benicia (BNIC11), Ben Lomond (BNLMCA11), Buena Park (BNPKCA11), Burbank-Palm (BRBNCA11), Bradley (BRDLCA90), Brea (BREACA12), Burlingame (BRLNCA01), Brentwood (BRWDCA12), Brawley (BRWLCA11), Bishop Ranch (BSRNCA70), Butte City (BTCYCA11), Bethel Island (BTISCA11), Burrell (BURLCA11), Beverly Hills (BVHLCA01), Bear Valley (BVLVCA11), Bear Valley Springs (BVSPCA11), Cobb Mountain (CBMTCA11), Chualar (CHLRCA11), Chula Vista-Third Avenue (CHVSCA11), Chula Vista Apache (CHVSCA12), Chowchilla (CHWCCA11), Culver City (CLCYCA11), Calipatria (CLPTCA11), Calistoga (CLSTCA11), Clovis (CLVSCA11), Calexico (CLXCCA12), Compton (CMTNCA01), Concord (CNCRCA01), Colma (COLACA01), Cordelia (CORDCA12), Corona (CORNCA11), Colton (COTNCA11), Crockett (CRCTCA02), Corona Del Mar (CRDMCA11), Carlsbad-La Costa (CRLSCA12), Corning (CRNGCA12), Caruthers (CRTHCA11), Costa Mesa (CSMSCA11), Crows Landing (CWLDCA12), Coyote Wells (CYWLCA11), Danville (DAVLCA12), Tassajara (DAVLCA13), Davis (DAVSCA11), Delano (DELNCA11), Dinuba (DINBCA01), Dixon (DIXNCA11), Del Mar (DLMRCA12), Del Rey (DLRYCA11), Dunnigan (DNGNCA12), Dunsmuir (DNSMCA11), El Cajon (ELCJCA11), El Centro (ELCNCA01), Rich-Appian Way (ELSB11), El Segundo-Douglas (ELSGCA12), El Toro (ELTRCA11), Encinitas (ENCTCA12), Earlimart (ERLMCA11), Escalon (ESCLCA11), Escondido (ESCNCA01), Esparto (ESPRCA11), Felton (FETNCA11), Flsm-Nimbus (FLSMCA12), Flsm-El Dorado (FLSMCA13), Fontana (FNTACA11), Firebaugh (FRBHCA11), Fremont-Main (FRMTCA11), Fair Oaks (FROKCA11), Fresno-Main (FRSNCA01), Fresno-Baldwin (FRSNCA11), Fresno-Clinton (FRSNCA12), Fresno-Sierra (FRSNCA13), Fresno-West (FRSNCA14), Fresno-Woodward (FRSNCA15), Farmersville (FRVLCA11), Fortuna (FTUNCA11), Fullerton (FUTNCA01), Five Points (FVFNCA11), Frazier Park (FZPKCA11), Galt (GALTCA11), Glendale (GLDLCA11), Gonzales (GNZLCA11), Gerber (GRBRCA11), Gridley (GRDLCA11), Gardena (GRDNCA01), Grenada (GRNDCA13), Goshen (GSHNCA11), Gustine (GUSTCA11), Geyserville (GYVLCA11), Herald (HERLCA11), Highland (HGLDCA11), Hughson (HGSNCA11), Holtville (HLVLA11), Hollywood (HLWDCA01), Hamilton City (HMCYCA11), Homewood (HMWDCA11), Hanford (HNFRC11), Huntington Park (HNPKCA01), Hopland (HPLDCA12), Huron (HURNCA11), Hayward-Depot Ct (HYWRCA11), Ignacio (IGNCCA12), Imperial (IMPRCA11), Ione (IONECA11), Irvine-Main (IRVNCA01), Irvine-Spectrum (IRVNCA12), Ivanhoe (IVNHCA11), Jamul (JAMLCA60), Jackson (JCSNCA11), Kingsburg (KGBGCA11), Kelseyville (KLVLA12), Knights Ferry (KNFYCA11), Kyburz (KYBRCA11), La Canada-Oak Grove (LACNCA11), La Crescenta (LACRCA11), La Jolla-Girard (LJLCA11), La Mesa (LAMSCA01), Lamont (LAMTCA11), Laton (LATNCA11), Lockeford (LCFRCA11), Lebec-Main (LEBCCA11), Lemoore-Main (LEMRC11), Lemoore-Wyman (LEMRC12), Lafayette (LFYCA11), Laguna Niguel (LGNGCA12), Le Grand (LGRDCA11), La Grange (LGRNCA12), Lakeport (LKPTCA02), Lincoln (LNCLCA11), Lodi (LODICA01), Loleta (LOLTCA11), Loomis (LOMSCA11), Lomita (LOMTCA11), Larkspur (LRKSCA11), Lsan-Madison 02 (LSANCA02), Lsan-Madison 03 (LSANCA03), Lsan-Pleasant (LSANCA05), Lsan-Union (LSANCA06), Lsan-Airport (LSANCA07), Lsan-Melrose (LSANCA08), Lsan-Richmond (LSANCA09), Lsan-Webster (LSANCA10), Lsan-Rampart (LSANCA11), Lsan-Normandy (LSANCA12), Lsan-Plymouth (LSANCA13), Lsan-Adams (LSANCA14), Lsan-Axminster (LSANCA15), Lsan-Capitol (LSANCA23), Lsan-Sunset (LSANCA29), Lsan-Angelus (LSANCA34), Lsan-Montebello (LSANCA35), Lsan-Republic (LSANCA38), Los Banos (LSBNCA12), Los Molinos (LSMLCA11), Live Oak (LVOKCA11), Madera-Bonadelle (MADRCA12), Marina (MARNCA11), Modesto-Main (MDSTCA02), Modesto-Kellog (MDSTCA03), Modesto-Kingswood (MDSTCA04), Modesto-Tally (MDSTCA05), Modesto-Davis (MDSTCA52), Middletown (MDTWCA11), Mokelumne Hill (MKHLCA12), Mckinleyville (MKVLA11), Millbrae (MLBRCA11), Mendota (MNDTCA11), Mojave (MOJVCA01), Moraga (MORGCA12), Merced (MRCDC11), Meridian (MRDNCA11), Moorpark (MRPKCA12), Mission Viejo (MSVJCAAT), Mountain Pass (MTPSCA11), Monterey (MTRYCA01), Mt Shasta (MTSHCA12), Mountain View (MTVWCA11), Marysville (MYVICA01), Nicolaus (NCLSCA12), Newhall (NHLLCA01), Nhw-Lankershim (NHWDC11), Nhw-Magnolia (NHWDC12), Nice (NICECA11), Niland Main (NILDCA11), Niland Bombay Beach (NILDCA12), Nipomo (NIPMCA11), Northridge (NORGCA11), Nscr-Wabash (NSCRCA11), Nscr-North Natomas (NSCRCA12), National City-Highland (NTCYCA11), Newcastle (NWCSCA11), Newman (NWMNCA12), Oceanside-Mission (OCSDCA11), Oakdale (OKDLCA11), Okid-45Th (OKLDCA11), Okid-Holly (OKLDCA12), Okid-Mountain (OKLDCA13), Oakley (OKLYCA11), Orange Cove (ORCVCA11), Orland (ORLDCA11), Orinda (ORNDCA11), Orange-Chapman (ORNGCA11), Orange-Olive (ORNGCA13), Orosi (ORSICA11), Orangevale (ORVACA11), Otay Mesa (OTMSCA11), Pacifica (PCFCCA11), Pedley (PDLYCA11), Palo Alto-Main (PALCA02), Palo Alto-South (PALCA12), Pleasant Grove (PLGVCA12), Planada (PLNDCA11), Pleasanton-Main (PLTNCA12), Pleasanton-Hacienda (PLTNCA13), Placerville-Main (PLVLA11), Pepperwood (PPWDCA11), Paradise-Main (PRDSCA11), Parlier (PRLRCA11), Paramount (PRMTCA01), Pittsburg-Main (PSBGCA01), Pittsburg-Willow (PSBGCA11), Pismo Beach (PSBHCA11), Pixley (PXYLA11), Rancho Bernardo (RBRNCA11), Rocklin 11 (RCKLCA11), Richmond (RCMDCA11), Richvale (RCVACA11), Redwood City (RDCYCA01), Redding-Main (RDNGCA02), Redding-Enterprise (RDNGCA11), Rio Dell (RIDECA11), Rio Linda 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Sndg-University (SNDGCA02), Sndg-Linda Vista (SNDGCA03), Sndg-Saipan (SNDGCA05), Sndg-37Th Street (SNDGCA06), Sndg-College (SNDGCA11), Sndg-Market (SNDGCA12), Sndg-Regents (SNDGCA15), Sndg-Mira Mesa (SNDGCA16), Sncf-Mccoppin (SNFCCA04), Sncf-25Th Street (SNFCCA05), Sncf-Onondaga (SNFCCA06), Sncf-9Th Avenue (SNFCCA13), Sncf-3Rd Street (SNFCCA17), Sncf-Folsom St (SNFCCA21), Sncf-U C Med Center (SNFCCA64), San Gabriel (SNGBCA01), San Geronimo (SNGNCA11), San Jose-Main (SNJSCA02), San Jose-Chynoweth (SNJSCA13), San Jose-Foxworthy (SNJSCA14), San Jose-Junction Avenue (SNJSCA21), San Lucas (SNLCCA11), San Martin (SNMACA11), San Marcos (SNMCCA11), San Mateo (SNMTCA11), Milton (SNRCA13), San Rafael-Main (SNRFCA01), San Ramon (SNRMCA11), Space Park (SNTCCA01), Bellomy (SNTCCA11), Carroll (SNVACA01), Mathilda (SNVACA11), San Ysidro (SNYSCA12), South Pasadena-Mission (SPSDCA11), Stratford (SRFRCA11), South Tahoe-Tamarack (STAHTA12), South Tahoe-Meyers (STAHTA13), Suisun City (SUISCA11), Thornton 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## **Important Information Regarding AT&T Phone for Business – Advanced (APB-A)**

### ***Lack of Line Power***

AT&T Phone for Business – Advanced (APB-A) does not provide line power. However, in the event of a power outage APB-A has a built-in, rechargeable battery backup that provides up to 24 hours of power on standby.

### ***Backup Power***

- *Capability to Accept Backup Power.* If there is an electrical power outage that affects the electricity to your business location, your APB-A device will continue to function by using its built-in backup battery.
- *The APB-A device includes a 24-hour battery backup at no additional cost.* APB-A is offered as a service (aaS) that features AT&T-owned and managed devices installed at the customer's premises. Should the APB-A device or battery become inoperable, AT&T will replace the APB-A device for as long as the customer retains APB-A as a service.
- *Service Limitations with and without Backup Power.* The backup battery will power the APB-A service, but it will not power other customer owned equipment like medical and security-monitoring systems. To maximize battery life during a power outage, customers should minimize usage of APB-A.

### ***Expected Backup Power Duration***

The internal backup battery will power the APB-A service for 24 hours on standby.

### ***Proper Usage and Storage Conditions, Including the Impact on Duration of Failing to Adhere to Proper Usage and Storage***

Since the backup battery is integrated into the APB-A device, it should be maintained under the same conditions as the device. The APB-A device should be used inside the business location, keeping the internal temperature between 32 °F and 113 °F (0 °C and 45 °C). Storing the device at higher or lower temperatures could adversely impact the duration of backup power available from the battery.

### ***Subscriber Backup Power Self-Testing and -Monitoring Instructions***

The built-in backup battery is part of the APB-A device. No testing is necessary on the battery as long as the APB-A service is active.

### ***APB-A Device Service Assurance Details***

*The APB-A device includes a 24-hour battery backup at no additional cost.* AT&T Phone for Business – Advanced is offered as a service (aaS) that features AT&T-owned and managed devices installed at the customer's premises. Should the APB-A device or battery become inoperable, AT&T will replace the APB-A device for as long as the customer retains APB-A as a service.

### ***Security Responsibilities and Other Steps You May Take to Ensure Safe Use of APB-A***

As noted above, in the event of a power outage, APB-A device has a built-in battery backup that can provide power for 24 hours. However, if the device does not have electrical or battery power, APB-A service will not work, including emergency 911 service. The APB-A device should remain plugged into an electrical power source for the service to continue working and to ensure that the battery remains fully charged.

# **Exhibit 3**

**Section 63.602(a)(4) Certification**

I, Susan Johnson, Senior Executive Vice President - Transformation and Supply Chain, am employed by AT&T Services, Inc. I certify under penalty of perjury that, to the best of my knowledge, information, and belief, the information required by 47 C.F.R. § 63.602 that is submitted in the Section 63.71 Application of Pacific Bell Telephone Company d/b/a AT&T California, for Authority Pursuant to Section 214 of the Communications Act of 1934, As Amended, to Discontinue the Provision of Service, is true and correct.

Dated: May 15, 2026

A handwritten signature in cursive script, appearing to read "Susan Johnson", written over a horizontal line.

Susan Johnson  
AT&T SERVICES, INC.  
208 South Akard Street  
Dallas, TX 75202

**CERTIFICATE OF SERVICE**

I, Martha Flaherty, certify that on May 20, 2026, will cause a copy of the foregoing Section 63.71 Application of AT&T by U.S. Mail postage prepaid to be served on the addresses below.

/s/ Martha Flaherty  
Martha Flaherty

Office of the Governor  
Governor's Office  
State Capitol  
Sacramento, CA 95814

California Public Utilities  
Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Department of Defense  
Chief Information Officer  
6000 Defense Pentagon  
Washington, D.C.20301

Table Mountain Rancheria  
of California  
Chairman  
P.O. Box 410  
Friant, CA, 93626

Paskenta Band of Nomlaki  
Indians of California  
22580 Olivewood Avenue  
Corning, California 96021

Sycuan Band of the  
Kumeyaay Nation  
Chairman  
1 Kwaaypaay Court  
El Cajon, CA, 92019

Bear River Band of the  
Rohnerville Rancheria  
Chairman  
266 Keisner Road,  
Loleta, CA, 95551

Quartz Valley Indian  
Community of the  
Quartz Valley Reservation  
Chairman  
13601 Quartz Valley Road  
Fort Jones, CA, 96032

Dry Creek Rancheria  
Band of Pomo Indians  
Chairman  
P.O. Box 607  
Geyserville, CA, 95441

San Manuel Band  
of Mission Indians  
Chairman  
26569 Community Center Dr  
Highland, CA, 92346

Hopland Band  
of Pomo Indians  
Chairman  
3000 Shanel Road,  
Hopland, CA, 95449

Jamul Indian Village  
Chairman  
P.O. Box 612  
Jamul, CA, 91935

Jackson Band  
of Miwuk Indians  
Chairman  
P.O. Box 1090  
Jackson, CA, 95642

Santa Rosa Indian  
Community of the  
Santa Rosa Rancheria  
Chairman  
P.O. Box 8  
Lemoore, CA, 93245

Robinson Rancheria Band  
of Pomo Indians  
Chairman  
P.O. Box 4015  
Nice, CA, 95464

Big Valley Band of Pomo  
Indians of the Big Valley  
Rancheria Chairman  
2726 Mission Rancheria Rd  
Lakeport, CA, 95453

United Auburn Indian  
Community of the Auburn  
Rancheria  
Chairman  
10720 Indian Hill Rd  
Auburn, CA, 95603

Table Bluff Rancheria  
Wiyot Tribe  
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**PETITION FOR PREEMPTION AND  
DECLARATORY RULING**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

\_\_\_\_\_  
In the Matter of )  
 )  
Petition of AT&T for Preemption and )  
Declaratory Ruling Regarding )  
California's Carrier of Last Resort )  
and Related Requirements )  
\_\_\_\_\_ )

Docket No. \_\_\_\_\_

**PETITION FOR PREEMPTION AND DECLARATORY RULING**

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May 20, 2026

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## INTRODUCTION AND SUMMARY

Building the communications infrastructure necessary to meet the demands of America’s future requires policies that encourage investment and embrace modern technologies. Unfortunately, in the case of California, outdated regulations don’t reflect today’s communications landscape but rather require AT&T to power, repair, and sell “Plain Old Telephone Service” (POTS) on a century-old telephone network that almost no one uses. The copper wires that once served *every* home now serve just *three percent* of Californian households in AT&T’s service territory, and that number shrinks every day as customers switch to modern broadband options that are more affordable, reliable, and energy efficient. Yet California’s outdated regulations persist, requiring AT&T to spend \$1 billion a year to maintain a nearly-empty copper network that has become an easy mark for criminals—California has already suffered about 2,000 outages from copper thefts this year—and that is estimated to drain the power grid of over 100 million kilowatt-hours each year.

In its *Network Modernization Order*,<sup>1</sup> the Commission stepped in to break such a self-defeating cycle of regulatory gridlock. Among other things, the Commission took decisive and necessary steps to cut “red tape that has both required providers to keep aging copper lines in place and effectively prevented them from investing in the modern infrastructure that Americans want and deserve.”<sup>2</sup> It also made clear that, when the Commission applies its streamlined procedures and grants a discontinuance, “federal law *preempts* state and local requirements” that “needlessly constrain the deployment of modern, next-generation IP-based networks.”<sup>3</sup> Indeed,

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<sup>1</sup> *Reducing Barriers to Network Improvements and Service Changes*, WC Dkt. No. 25-209, Report and Order, FCC 26-19, (Mar. 27, 2026) (“*Network Modernization Order*”).

<sup>2</sup> *Id.* ¶ 1.

<sup>3</sup> *Id.* ¶ 7 (emphasis added).

after Commission authorization, a carrier may act “without securing [any other] approval,”<sup>4</sup> and the Commission invited carriers “to seek a determination from the Commission that [a] state requirement is preempted” if the state requirement impedes the modernization efforts the Commission has authorized and encouraged.<sup>5</sup>

In this filing, AT&T accepts the Commission’s invitation. Under the Communications Act, Commission authorization is all that is required for AT&T to discontinue POTS in California, but unlike other states, California clings to last-century “Carrier of Last Resort” (COLR) rules that requires AT&T to continue offering POTS throughout the state even after the Commission has authorized the service to be phased out. Under federal law, those COLR rules can no longer stand. The Commission should declare California’s COLR regime preempted, clearing the way for AT&T to bring more consumers the communication technologies of today rather than those of the late 1800s, all while leaving no customer behind.

\* \* \*

In 1876, Alexander Graham Bell uttered nine now-famous words: “Mr. Watson, come here; I want to see you.” Over the decades that followed, AT&T’s predecessor, the Bell Telephone company, crisscrossed the country with copper wires running down virtually every street, fueling the growth of a young nation and allowing millions of Americans to make phone calls. The telecommunications industry has come a long way since Bell’s first phone call, and copper wires have been replaced by a multitude of modern communications services available to customers nationwide. AT&T has invested hundreds of billions to deploy fiber and 5G wireless networks, and it plans to accelerate that deployment over the next five years. But in California,

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<sup>4</sup> 47 U.S.C. § 214(c); *see Network Modernization Order* ¶ 114.

<sup>5</sup> *Network Modernization Order* ¶ 115.

the aging, fragile, and expensive copper lines are still there, frozen in time by California regulations enacted by prior generations for the benefit of prior generations.

Although the copper wires in AT&T's legacy network are stuck in the past, customers are not. The vast majority of consumers now rely solely on wireless phone service, and of those who still have a wired home phone, almost all use a modern, IP-based phone service provided over their broadband connection.<sup>6</sup> It's no wonder. After all:

*Copper is less reliable.* In emergencies, wireless networks keep people connected on the go. When disasters like wildfires strike, fiber and wireless services can be restored far faster than copper-based POTS. And criminals also target copper lines for their raw-material value, leaving POTS customers without service. All too often, the criminals return to steal the replacement lines as soon as service is restored.

*Copper is worse for the environment.* Fiber delivers gigabit-plus speeds with significantly lower energy use. Transitioning from copper will save an estimated 300 million kilowatt-hours annually by 2030—the equivalent to eliminating emissions from 17 million gallons of gasoline.

*Copper is more expensive.* AT&T spends roughly \$1 billion a year in California to operate, maintain, and repair hundreds of thousands of miles of largely obsolete copper lines, ancient “circuit” switches, and other POTS facilities. Even finding replacement parts for decades-old equipment is a near insurmountable challenge. All that spending diverts finite resources from the modern technologies that could be used to provide consumers what they actually want—fiber and wireless.

As a result, consumers and markets have moved on from copper-based POTS. The goal of robust, full-scale intermodal competition has been reached just as Congress intended when it

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<sup>6</sup> *Id.* ¶ 34.

passed the Telecommunications Act of 1996. Virtually all states in AT&T's footprint have recognized this, eliminating outdated COLR barriers to new investment, and this Commission has now acted decisively to eliminate red tape. But in California, outdated regulations remain, seemingly frozen in time with no rational application to today's marketplace of superior and ever-improving products.

Unlike its peer states, California maintains procedural and substantive roadblocks that require AT&T to continue providing POTS regardless of the available alternatives. In particular, California's enduring COLR regime prevents AT&T from discontinuing service unless it receives permission from the California Public Utilities Commission (CPUC).<sup>7</sup> The process of seeking and receiving approval is onerous. It is also fruitless: California has made clear that it will not allow AT&T to relinquish its COLR obligations unless another carrier first agrees to become a COLR.<sup>8</sup> Unsurprisingly, no other carrier is willing to assume AT&T's outdated obligations.

Even setting aside these basic substantive barriers, the CPUC's protracted processes independently prevent any meaningful transition. To discontinue POTS, AT&T must navigate years-long proceedings, obtain multiple layers of approval, and satisfy extensive notice and customer-migration requirements. The CPUC would also require AT&T to tariff a replacement "basic service"—subject to full regulatory review—even though the only service that currently satisfies that definition is the very POTS that AT&T seeks to retire. Past experience underscores

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<sup>7</sup> See *Rulemaking on the 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, app. B at \*468–70 (Universal Service Rule 6.D) (Oct. 25, 1996) (“1996 CPUC COLR Decision”).

<sup>8</sup> See *Decision Dismissing with Prejudice the Application of AT&T Cal. To Withdraw as a Carrier of Last Resort*, D.24-06-024, 2024 Cal. PUC LEXIS 331, at \*12–19 (June 25, 2024) (“CPUC COLR Dismissal Order”).

the futility of this process: when AT&T previously sought targeted relief, the CPUC subjected the request to lengthy proceedings, ultimately rejecting it on procedural grounds, and directed AT&T not to ask again for at least a year.<sup>9</sup> In practice, these byzantine requirements ensure that any effort to modernize will be delayed indefinitely, underscoring the need for federal preemption to allow investments to shift from maintaining a nearly-empty POTS network to deploying next-generation technologies that will allow consumers and businesses alike to participate in the coming generation of AI and other digital applications.

\* \* \*

Importantly, no customer will be left behind in AT&T's transition to modern technologies. Even for any customers who are still wary of parting with the familiar functionality of POTS, AT&T has a complete modern solution: AT&T Phone Advanced (AP-A). AP-A preserves the same look and feel of POTS, while delivering improved reliability and efficiency by connecting to AT&T's wireless network (or *any* broadband connection). The service lets customers use their traditional landline phones but submits calls in an IP, internet-friendly format. It even works with fax machines, elevators, medical monitors, and accessibility devices for people with hearing or speech difficulties. And in emergencies, it has a 24-hour back-up battery and can take advantage of wireless and wired internet in the event of a service disruption. In short, AP-A is better than POTS—and usually cheaper too. After rigorous testing and review, the Commission has already declared it an adequate replacement for POTS and allowed AT&T to discontinue POTS across much of its footprint.

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<sup>9</sup> *Id.* at \*18.

In contemporaneous filings, AT&T seeks to discontinue POTS in areas of California where superior, alternative AP-A service is available.<sup>10</sup> These applications would allow AT&T to focus investment on its modern, IP-based networks and should be approved on a streamlined basis, as they are predicated on an established “adequate replacement” service that is available for all existing AT&T POTS customers in the areas for which relief is sought. If the Commission grants those applications—as it should—AT&T will be stuck with conflicting rules. The Commission will have authorized AT&T to discontinue POTS so that it may retire the underlying copper network and free up resources to construct modern networks that consumers overwhelmingly prefer, but California regulations on the books will still require AT&T to continue offering POTS throughout its service territory. These contradictory regimes cannot be reconciled; one must go.

Fortunately, Congress anticipated just such a clash and, in the Communications Act, decided that the Commission wins. With respect to services with an interstate component, Congress directed the Commission to authorize any “discontinuance, reduction, or impairment of service” to a community.<sup>11</sup> Before granting authorization, the Commission must determine that “neither the present nor future public convenience and necessity will be adversely affected” by the change.<sup>12</sup> Then the Commission’s determination controls. Once the Commission authorizes a

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<sup>10</sup> AT&T has concurrently filed separate applications for residential and business POTS, including resold POTS service. These are collectively referred to as the AT&T Discontinuance Applications. Although separate applications, the underlying support for discontinuance is largely the same. To avoid unnecessary duplication, AT&T herein cites to the Residential Discontinuance Application rather than both applications.

<sup>11</sup> 47 U.S.C. § 214(a), (c); *see id.* § 152(a).

<sup>12</sup> *Id.* § 214(a).

reduction or discontinuance in service, a carrier can act “*without securing approval other than such certificate*” from the Commission.<sup>13</sup>

The Communications Act preempts California’s COLR and related requirements as applied to AT&T’s discontinuance of POTS in California under any of three well-established strands of preemption doctrine recognized in the *Network Modernization Order*.

*First*, express preemption. Section 214 of the Communications Act expressly preempts state requirements that impinge on modifications to interstate or jurisdictionally mixed services where the Commission has authorized “discontinuance, reduction, or impairment of service.”<sup>14</sup> Congress provided that, after the Commission has authorized a discontinuance, reduction, or impairment, a carrier may perform the authorized activity “without securing [other] approval.”<sup>15</sup> The Commission has “grant[ed] blanket section 214(a) authority for carriers to grandfather legacy voice services.”<sup>16</sup> In direct contravention of section 214(c), California requires AT&T to seek additional regulatory “approval[s]” before discontinuing POTS. That should be the end of the matter.

*Second*, impossibility preemption. California and the CPUC cannot separate and regulate any nominally intrastate component of POTS.<sup>17</sup> In section 2 of the Communications Act, Congress attempted “to divide the world of domestic telephone service neatly into two hemispheres—one comprised of interstate service, over which the FCC would have plenary authority, and the other made up of intrastate service, over which the States would retain

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<sup>13</sup> *Id.* § 214(c) (emphasis added).

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Network Modernization Order* ¶ 6; *see id.* ¶¶ 60–66.

<sup>17</sup> *Id.* ¶ 113.

exclusive jurisdiction.”<sup>18</sup> However, “the realities of technology and economics belie such a clean parceling of responsibility.”<sup>19</sup> Courts have thus recognized an “impossibility exception” to the division of authority in section 2, under which an intrastate regulation is preempted if “(1) it is not possible to separate the interstate and intrastate aspects of the service, and (2) federal regulation is necessary to further a valid federal regulatory objective, i.e., state regulation would conflict with federal regulatory policies.”<sup>20</sup>

Both criteria are met here. Modern voice services are provided over integrated, all-distance networks, and the concept of “local” telephone service has faded into irrelevance. When it comes to the physical maintenance of a POTS system, interstate and intrastate telephone services are inseparable: the facilities and wires used to provide each service are the same, making it impossible to retire the interstate network while maintaining the intrastate one.

*Third*, conflict preemption. CPUC rules blocking AT&T from discontinuing POTS cannot stand because they would effectively force AT&T to continue service after the Commission has said otherwise, nullifying the Commission’s exclusive section 214 authority. Those rules would also undermine the Commission’s explicit objective of “spur[ring] network modernization.”<sup>21</sup> And they would allow California to assume a different role than the one section 214 specifically prescribes for states.

Under any one of these three preemption theories, California cannot apply its COLR and related requirements to force AT&T to continue to offer POTS once the Commission grants the

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<sup>18</sup> *La. Pub. Serv. Comm’n v. FCC*, 476 U.S. 355, 360 (1986); *see* 47 U.S.C. § 152.

<sup>19</sup> *La. Pub. Serv. Comm’n*, 476 U.S. at 360.

<sup>20</sup> *Minn. Pub. Utils. Comm’n v. FCC*, 483 F.3d 570, 578 (8th Cir. 2007); *see California v. FCC*, 75 F.3d 1350, 1359 (9th Cir. 1996) (impossibility preemption applies where it is “not possible to separate the interstate and intrastate components of the asserted FCC regulation”).

<sup>21</sup> *Network Modernization Order* ¶ 2.

discontinuance applications. As the Commission explained in the *Network Modernization Order*, where “state and local requirements prevent a provider from discontinuing the interstate portion of a legacy voice service for which the Commission has already granted discontinuance authorization pursuant to section 214, then the requirements negate a valid federal regulatory objective” and are thus “subject to preemption.”<sup>22</sup> That is precisely how California law operates here.

AT&T<sup>23</sup> thus seeks a declaration that any California law or regulation that interferes with or otherwise conditions AT&T’s ability to discontinue POTS as authorized by the Commission is preempted.

## BACKGROUND

As explained in AT&T’s Discontinuance Applications, customers in California have many alternatives to POTS. AT&T faces competition from a host of providers that have deployed wireless and wireline, mobile and fixed, terrestrial and satellite, facilities-based and over-the-top VoIP service. And for customers who want a more traditional phone experience, AT&T developed AP-A, which provides the functionality of landline POTS using existing phone equipment.<sup>24</sup> AP-A can be used anywhere covered by AT&T’s wireless or fiber networks, as

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<sup>22</sup> *Id.* ¶ 114.

<sup>23</sup> AT&T Services, Inc., files this Petition, pursuant to 47 C.F.R § 1.2, on behalf of its affiliate Pacific Bell Telephone Company d/b/a AT&T California. “AT&T” refers to AT&T affiliated entities collectively or AT&T California specifically depending on context.

<sup>24</sup> An over-the-top service, AP-A can use AT&T’s LTE network for connectivity (although it is compatible with most broadband connections). *See* AT&T Residential Discontinuance Application at 6–7 & n.19. AT&T offers AP-A for both residential and business customers. *See* AT&T Residential Discontinuance Application at 3; AT&T Business Discontinuance Application at 3. Although marketed under different names, for convenience these services are referred to here as “AP-A.” The Commission has already found AP-A to be an “adequate replacement” service for POTS and has approved section 214 discontinuance on the basis of this service. AT&T Residential Discontinuance Application at 3–5. Indeed, based on AP-A, the

well as on broadband connections from other providers. As a result of these superior alternatives, AT&T now provides POTS to approximately three percent of households in its California service territory.<sup>25</sup>

Nearly all locations in the 360 wire centers covered by its Discontinuance Applications can receive broadband service from multiple providers. Of the over five million serviceable locations in those 360 wire centers, more than 99.9 percent have access to at least two of the national mobile voice providers and three or more facilities-based, terrestrial fixed broadband or mobile voice providers.<sup>26</sup> And most relevantly here, *all* of AT&T’s existing POTS customers (“Affected Customers”) in the areas covered by the Discontinuance Application (“Affected Service Area”) have an alternative provider of high-quality voice service, and 99.9 percent have access to at least two others beyond AT&T.<sup>27</sup> Accordingly, POTS is no longer necessary to provide Affected Customers with voice service.

#### **A. California’s Outdated “Universal Service” Regulatory Regime**

Despite these developments, the CPUC still maintains the legacy COLR regime enacted before local competition was unleashed. Key here, California law imposes both substantive and procedural barriers to AT&T’s discontinuance of POTS. Substantively, the CPUC requires

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Commission has approved AT&T discontinuance applications covering 18 states. *See id.* at 4 n.8 (citing prior approved applications).

<sup>25</sup> AT&T calculates this figure by dividing the number of its residential POTS customers as of February 2026 by the latest U.S. Census Bureau estimate of the number of households in census block groups overlapping AT&T’s California service territory. *See Household Income in the Past 12 Months (in 2024 Inflation-Adjusted Dollars)*, U.S. Census Bureau, [https://data.census.gov/table/ACSST5Y2024.B19001?q=B19001&g=040XX00US06\\$1500000](https://data.census.gov/table/ACSST5Y2024.B19001?q=B19001&g=040XX00US06$1500000) (last visited May 15, 2026).

<sup>26</sup> *See* Declaration of Sandra Charneski ¶¶ 10–11 (“Charneski Decl.”) (attached as Exhibit 1 to AT&T’s concurrently filed Forbearance Petition).

<sup>27</sup> *See* AT&T Residential Discontinuance Application at 7–8.

AT&T—but not its cable and wireless rivals—to offer an anachronistic “basic service” to residential customers that includes features and functions that consumers do not want and its competitors do not offer, and to do so pursuant to rates, terms, and conditions contained in a tariff that the CPUC must approve, and that cannot be altered without CPUC approval. This basic service must include *interstate* service, which the CPUC purports to regulate. Procedurally, the CPUC requires AT&T to secure its formal permission to discontinue POTS and to approve a replacement “basic service.” The CPUC also approves customer notice and “migration” plans necessary under California law for discontinuance of POTS. The CPUC also independently compels AT&T to provide voice service to all businesses in its territory.

### 1. California COLR Obligations Effectively Require POTS

As a California COLR, AT&T must provide “basic service” to “all residential households within [its] defined service territory.”<sup>28</sup> The CPUC has prescribed numerous “elements” of residential “basic service,”<sup>29</sup> as well as additional “general requirements” that a COLR must satisfy when providing basic service.<sup>30</sup> Although ostensibly “technologically and competitively

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<sup>28</sup> *Ord. Instituting Rulemaking Regarding Revisions to the Cal. High Cost Fund B Program*, D.12-12-038, 2012 Cal. PUC LEXIS 597, at \*16 (Dec. 24, 2012) (“2012 CPUC COLR Order”). The AT&T POTS that satisfies California’s basic service obligation in California is tariffed as *Network and Exchange Services Tariff of AT&T California*, Sched. C.P.U.C. No. A5 (Oct. 10, 2018), <https://cpr.att.com/pdf/ca/a005.pdf>.

<sup>29</sup> *See 2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. A, pt. I, at \*88–95; *Admin. L. Judge’s Ruling Issuing Staff Proposal for Comment*, R.24-06-012, attach. A at 12–13 (C.P.U.C. Dec. 15, 2025), <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M591/K255/591255757.PDF> (“Staff COLR Proposal”).

<sup>30</sup> *See 2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. A, pt. II, at \*95–97. As long as AT&T has an obligation to offer basic service, it also must participate in the California LifeLine program, regardless of the technology it uses. *See* Cal. Pub. Util. Code § 876; *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. A, pt. I.4(d), at \*93; Cal. Pub. Utils. Comm’n, *General Order 153-A* § 3.2, <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M588/K780/588780806.PDF> (“General

neutral,”<sup>31</sup> these requirements effectively dictate that AT&T can satisfy its COLR obligation only by offering POTS.

In particular, a number of the basic-service “elements” required by the CPUC are POTS-specific features rooted to the past. They are not included in modern services because customers simply do not value them. For example, the CPUC requires AT&T to provide “[d]irectory services,” such as “access to directory assistance within the customer’s local community,” directory listings, and the “option to receive a free white pages directory.”<sup>32</sup> The CPUC similarly mandates that AT&T provide “free access to operator services.”<sup>33</sup> AT&T offers none of these elements as part of its nationwide mobile wireless or VoIP services; they simply make no sense for nationwide networks.

The CPUC also rejects other Commission-approved alternatives to POTS that could otherwise satisfy the basic-service requirements. In particular, it requires any COLR “that wishes to offer basic service utilizing anything other than traditional exchange-based wireline technology” to obtain special approval from the CPUC unless and until the CPUC adopts service-quality standards for the proposed technology.<sup>34</sup> The CPUC has yet to adopt such standards for mobile wireless service.<sup>35</sup> Thus, AT&T’s mobile wireless services cannot meet the

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*Order 153-A*”); *see also id.* § 1.3 (“Participation in California LifeLine by Non-Traditional Providers (wireless, VoIP, Internet Service Providers, etc.) is optional.”).

<sup>31</sup> *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, at \*20; *see also id.* at \*2, \*8, \*18, \*20–21, \*29, \*75, \*82, \*83.

<sup>32</sup> *Id.* app. A, pt. I.3, at \*91–92. In the ongoing COLR rulemaking the CPUC staff has proposed eliminating some of these elements, but some parties have opposed this proposal, and the Commission has yet to adopt it. *See Staff COLR Proposal* at 54–56.

<sup>33</sup> *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. A, pt. I.9, at \*95.

<sup>34</sup> *Id.* at \*36–37 & n.17, app. A, pt. II, at \*96–97.

<sup>35</sup> The CPUC recently commenced a proceeding to consider service-quality standards for mobile wireless. *See Ord. Instituting Rulemaking To Consider Serv. Quality Rules for Wireless Carriers*,

CPUC’s requirements without CPUC approval, even though the Commission has concluded that mobile service is an adequate replacement for POTS.<sup>36</sup>

In addition, although POTS provided to businesses is not itself a “basic service,” the CPUC nonetheless compels COLRs to provide voice service to business customers territory wide as well. The CPUC’s rules specify: “A designated COLR shall be required to serve all customers upon request, both residential *and business*, who are located within the COLR’s designated service area.”<sup>37</sup>

## 2. California Imposes Additional Hurdles to Discontinuance

These core COLR obligations are not the only aspect of a regulatory regime developed for monopoly utilities rather than the highly competitive modern communications marketplace. The CPUC also requires that a COLR must “maintain tariffs or schedules with the [CPUC] . . . for its basic service offerings[,] which must include its basic service rates, charges, terms, and conditions; and must make them publicly available.”<sup>38</sup> This CPUC mandate implements California’s statutory requirement that basic service must be tariffed.<sup>39</sup> To make any changes to its residential basic service, a COLR thus must provide the CPUC with advance notice of a tariff

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R.26-02-017, 2026 Cal. PUC LEXIS 102 (Feb. 26, 2026) (wireless); *see also Decision Adopting Gen. Ord. 133-E*, D.25-09-031, 2025 Cal. PUC LEXIS 455 (Sept. 18, 2025) (fixed VoIP). CPUC rulemaking proceedings can last years, and this proceeding has only recently commenced. *See generally R2602017 – Proceeding*, Cal. Pub. Utils. Comm’n, [https://apps.cpuc.ca.gov/apex/f?p=401:56:::RP,57,RIR:P5\\_PROCEEDING\\_SELECT:R2602017](https://apps.cpuc.ca.gov/apex/f?p=401:56:::RP,57,RIR:P5_PROCEEDING_SELECT:R2602017) (last visited May 15, 2026).

<sup>36</sup> *See Network Modernization Order* ¶¶ 34–36. It is also not clear whether the CPUC would permit AT&T to use AP-A to satisfy its basic service obligation without additional scrutiny given that service is typically delivered to customers over AT&T’s mobile network.

<sup>37</sup> *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. C at \*99 (emphasis added).

<sup>38</sup> *Id.* at \*16.

<sup>39</sup> *See* Cal. Pub. Util. Code § 495.7(b).

change, and the CPUC has authority to reject the revised tariff if it finds the “rates, charges, terms, and conditions” unsatisfactory.<sup>40</sup> A tariff change requiring CPUC approval would be necessary for AT&T to discontinue POTS or to provide basic service through an IP-based service. And in order to withdraw a “basic service” tariff, the CPUC’s rules require a formal proceeding,<sup>41</sup> leaving no way to avoid seeking and gaining this approval.

This tariffing requirement also means that, to the extent AT&T seeks to satisfy its COLR obligations with a service other than POTS, the CPUC applies substantive standards to rate-regulate an interstate service—and those substantive standards may depart from the Commission’s own. As noted, the CPUC tariffing regime gives it direct authority over the “rates, charges, terms, and conditions” of the tariffed service. Critically, any eligible “basic service” must provide “the ability to place and receive voice-grade calls over all distances”<sup>42</sup>—*i.e.*, including interstate calling. AT&T’s traditional POTS provides interstate calling by offering federally regulated long-distance service; indeed, California requires basic-service POTS to include “equal access” to a presubscribed long-distance carrier, a quintessentially interstate service.<sup>43</sup> However, like other market offerings, AT&T’s VoIP and mobile wireless offerings do not include separate local and long-distance components; each is a jurisdictionally mixed “all-distance” service provided over common, inseparable facilities. But section 2 of the Communications Act grants the Commission exclusive authority over interstate services.<sup>44</sup>

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<sup>40</sup> *Id.* §§ 454, 489, 491, 495.

<sup>41</sup> Cal. Pub. Utils. Comm’n, *General Order 96-B*, [https://docs.cpuc.ca.gov/word\\_pdf/GENERAL\\_ORDER/100177.pdf](https://docs.cpuc.ca.gov/word_pdf/GENERAL_ORDER/100177.pdf) (“*General Order 96-B*”) (Telecommunication Industry Rules 7.4 & 8.5).

<sup>42</sup> *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. A, pt. I.1, at \*89.

<sup>43</sup> *Id.* app. A, pt. I.1, at \*89.

<sup>44</sup> *See Network Modernization Order* ¶ 114.

Nevertheless, in order to use either VoIP or wireless service to satisfy its COLR obligation, AT&T—but not its rivals—would have to tariff that jurisdictionally mixed service and subject it to the CPUC’s regulatory authority, in violation of section 2.

In addition, to discontinue residential POTS, AT&T would need to comply with CPUC-mandated notice requirements, including CPUC approval of its proposed notices,<sup>45</sup> even though the *Network Modernization Order* already prescribes requirements for such discontinuation notices.<sup>46</sup> AT&T also would have to obtain CPUC approval for an “exit plan” under the CPUC’s Mass Migration Guidelines, even though AT&T would not in fact exit the voice market but would continue to offer existing and new customers service via a modern IP-based service.<sup>47</sup> Accordingly, even apart from California’s COLR rules and tariffing requirements, AT&T still would have to navigate multiple, sequential CPUC approval processes to discontinue its POTS service.

**B. California Has Steadfastly Maintained Its COLR Regime Notwithstanding Widespread Competition**

The CPUC adopted its COLR rules shortly after Congress opened local markets to competition in the Telecommunications Act of 1996, but before that competition took root. The CPUC designated AT&T and other incumbent telephone companies—and only these entities—as

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<sup>45</sup> See *General Order 96-B* (Telecommunication Industry Rules 3, 3.2, 5 & 7.4).

<sup>46</sup> See *Network Modernization Order* ¶ 46.

<sup>47</sup> *General Order 96-B* (Telecommunication Industry Rule 8.5); Cal. Pub. Utils. Comm’n, *Mass Migration Guidelines* (2010), [https://docs.cpuc.ca.gov/word\\_pdf/FINAL\\_DECISION/121590.pdf](https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/121590.pdf).

COLRs<sup>48</sup> and implemented a subsidy fund to support service to high-cost areas.<sup>49</sup> At the time, the CPUC recognized that its COLR regime should only be temporary, explaining that as the marketplace “moves from a monopoly provider to multiple providers, the universal service program needs to be readjusted to meet the challenges of increasing competition.”<sup>50</sup> Today, nearly 30 years later, California has largely eliminated its high-cost subsidy for COLRs,<sup>51</sup> and Californians have more voice offerings to choose from than ever before. Yet, while other states in AT&T’s service territory have eliminated their COLR regimes,<sup>52</sup> the promised COLR “readjust[ment]” has yet to occur in California.

As the local marketplace became increasingly competitive, AT&T has sought relief from the COLR rules that require AT&T, but not its many rivals, to provide the CPUC’s defined basic service. None of these state-level efforts has succeeded. For example, in 2016, AT&T supported a California bill that would have allowed companies to discontinue POTS in areas with an

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<sup>48</sup> *1996 CPUC COLR Decision*, 1996 Cal. PUC LEXIS 1046, at \*300–308 (Findings of Fact ¶¶ 165, 169); *id.* app. B at \*468–70 (Universal Service Rule 6.D).

<sup>49</sup> *California High Cost Fund-B*, Cal. Pub. Utils. Comm’n, <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-high-cost-fund-b> (last visited May 15, 2026).

<sup>50</sup> *1996 CPUC COLR Decision*, 1996 Cal. PUC LEXIS 1046, at \*369 (Findings of Fact ¶ 16).

<sup>51</sup> *See Ord. Instituting Rulemaking Proceeding To Consider Changes to the Comm’n’s Carrier of Last Resort Rules*, R.24-06-012, 2024 Cal. PUC LEXIS 359, at \*6 n.13 (June 28, 2024) (“*CPUC COLR OIR*”) (“The available CHCF-B support for residential basic service in California has decreased since 1996, when it totaled \$352 million per year for all carriers to \$22 million in 2020–21.”).

<sup>52</sup> *See Appl. 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 5*, attach. B (C.P.U.C. filed Mar. 3, 2023), <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K977/502977267.PDF> (“AT&T COLR Application”).

alternative voice service available, after compliance with certain procedures.<sup>53</sup> That effort stalled out in committee.<sup>54</sup>

Eight years later, AT&T tried again, this time in a March 2023 application with the CPUC to relinquish the COLR designation and associated tariff obligations. AT&T presented evidence that over 99 percent of the population in AT&T's service territory had access to at least three facilities-based alternatives to POTS.<sup>55</sup> AT&T's POTS subscribership had plummeted,<sup>56</sup> yet AT&T was incurring costs of approximately \$1 billion a year for its California TDM network and related services.<sup>57</sup> Even so, AT&T sought to relinquish its COLR obligations only where a voice alternative existed.<sup>58</sup> And to ensure an orderly transition for consumers, AT&T agreed to serve existing customers in relinquishment areas under its then-current tariffs for at least six months following approval of its application.<sup>59</sup>

Nevertheless, after over a year of contested regulatory proceedings,<sup>60</sup> the CPUC

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<sup>53</sup> See A.B. 2395, 2015–2016 Leg., Reg. Sess., sec. 2 § 711 (Cal. 2016).

<sup>54</sup> See, e.g., Steve Blum, *AT&T's Attempt To Rewrite California Law Shredded by a Higher Power*, Tellus Venture Assocs. (May 28, 2016), <https://www.tellusventure.com/atts-attempt-rewrite-california-law-shredded-higher-power/>.

<sup>55</sup> See AT&T COLR Application at 3.

<sup>56</sup> See *id.*

<sup>57</sup> See *id.* at 31.

<sup>58</sup> See *id.* at 7–8, 37–39.

<sup>59</sup> See *id.*

<sup>60</sup> In support of its detailed application, AT&T was required to file numerous pleadings, respond to massive discovery requests, attend live hearings, provide notices to customers and governments of its application, and participate in public participation hearings across the state. See generally *AT&T Applications Regarding Carrier of Last Resort and Eligible Telecommunications Carrier Designation*, Cal. Pub. Utils. Comm'n, <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/att-colr-etc-proceedings> (last visited May 15, 2026) (Under “Quick Links, AT&T’s Carrier of Last Resort (COLR Proceeding),” click “Proceeding documents”). Overall, there are more than 130 entries in the docket prior to the CPUC’s decision. *Id.*

dismissed AT&T’s application on the basis of a motion filed at the outset of the proceeding.<sup>61</sup> The CPUC insisted that its rules barred AT&T from withdrawing as a COLR unless another COLR took its place—but, of course, none has done so,<sup>62</sup> and no rational entity would do so. The CPUC then opened a rulemaking proceeding to consider whether to modify its existing COLR rules “[g]iven the age of its COLR rules, as well as changes in the marketplace.”<sup>63</sup> But the CPUC effectively punished AT&T for applying for COLR relief, forbidding AT&T from filing “another application for COLR relief” for at least one year after the conclusion of the COLR rulemaking.<sup>64</sup>

That CPUC rulemaking has now been ongoing for nearly two years,<sup>65</sup> but no reforms have been enacted, nor are meaningful reforms likely. The CPUC staff has proposed a scheme that would erect significant barriers to COLR relinquishment while *adding* to the obligations imposed on existing COLRs.<sup>66</sup> Although the CPUC staff proposes two “paths” to relinquishment, neither would provide significant relief, leaving AT&T as the COLR for large

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<sup>61</sup> See generally *CPUC COLR Dismissal Order*, 2024 Cal. PUC LEXIS 331, at \*12–18.

<sup>62</sup> See *id.* at \*15–17.

<sup>63</sup> *Id.* at \*20.

<sup>64</sup> *Id.* at \*18.

<sup>65</sup> See *CPUC COLR OIR*, 2024 Cal. PUC LEXIS 359.

<sup>66</sup> See generally Staff COLR Proposal; see also *Pac. Bell Tel. Co. d/b/a AT&T Cal.’s (U 1001 C) Opening Comments on the Admin. L. Judge’s Ruling Issuing Staff Proposal for Comment*, R.24-06-012, at 1–31 (C.P.U.C. filed Jan. 30, 2026), <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M598/K101/598101785.PDF> (“AT&T Comments on Staff Proposal”); *Pac. Bell Tel. Co. d/b/a AT&T Cal.’s (U 1001 C) Reply Comments on the Admin. L. Judge’s Ruling Issuing Staff Proposal for Comment*, R. 24-06-012, at 4–6, 11–14 (C.P.U.C. filed Feb. 13, 2026), <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M599/K152/599152770.PDF> (“AT&T Reply Comments on Staff Proposal”).

swaths of its territory—still without a realistic way to discontinue POTS.<sup>67</sup> And, even where all of the other proposed criteria for relinquishment were met, AT&T would have to offer wireline broadband service—even though COLR is a voice obligation (and no funding mechanism is contemplated for the required broadband service).<sup>68</sup> Simply put, no state-level solution to California’s outdated POTS system is forthcoming.

### **C. The Commission’s Efforts To Encourage Network Modernization**

The Commission has taken a far different approach to network modernization. For well over a decade, and on a bipartisan basis, the Commission has recognized that requiring carriers to maintain POTS can “siphon[] investments away from new networks and services.”<sup>69</sup> For that reason, the Commission in 2014 found that it would be in the public interest to release AT&T and other incumbent carriers from the high-cost requirement under section 214(e) for eligible telecommunications carriers (ETCs) to offer voice telephony service throughout their service territories.<sup>70</sup> The Commission explained that “carriers can reallocate their resources towards making upgrades to their networks to meet the broadband needs of their existing or new customers” instead of “spend[ing] their resources on maintaining existing voice telephony services or deploying new infrastructure to offer voice telephony service in newly constructed

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<sup>67</sup> See AT&T Comments on Staff Proposal at 6–14, 31–64; AT&T Reply Comments on Staff Proposal at 5–6, 19–39.

<sup>68</sup> See Staff COLR Proposal at 20–22 (making COLR relinquishment pathway available only in areas where the COLR offers broadband); *id.* at 80 (specifying COLR must provide “wireline” broadband to relinquish); see also AT&T Comments on Staff Proposal at 7, 9–10; AT&T Reply Comments on Staff Proposal at 9, 19.

<sup>69</sup> FCC, *Connecting America: The National Broadband Plan* 59 (2010), <https://transition.fcc.gov/national-broadband-plan/national-broadband-plan.pdf>.

<sup>70</sup> See *Connect America Fund*, Report and Order, 29 FCC Rcd. 15644, ¶ 65 (2014).

homes where there are already reasonable substitutes.”<sup>71</sup> The Commission again lifted legacy universal service obligations with respect to Lifeline in 2016, reasoning that doing so was “likely to free up service provider funds for broadband investment.”<sup>72</sup> And more recently, the Commission has furthered network modernization by approving several applications by AT&T to discontinue POTS service where AP-A is available as an alternative.<sup>73</sup>

Most recently, in its *Network Modernization Order*, the Commission on a unanimous, bipartisan basis recognized that further reform of federal section 214 discontinuance regulation was necessary.<sup>74</sup> But it also recognized that state service mandates may impede network modernization—and it explained that Congress had preempted many of them. As the Commission explained, “the record shows that certain state and local requirements have been unduly prolonging the use of legacy networks and actually preventing providers from building modern ones by limiting the types of services that may qualify as adequate replacements,” which was inconsistent with the Commission’s determination to encourage such modernization.<sup>75</sup>

Declaring that section 214 “creates an exclusively federal discontinuance regime for interstate or jurisdictionally mixed telecommunications services,”<sup>76</sup> the Commission set forth the controlling federal framework.<sup>77</sup> The Commission found that “the expansion of . . . modern

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<sup>71</sup> *Id.*

<sup>72</sup> *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd. 3962, ¶ 337 (2016).

<sup>73</sup> See AT&T Residential Discontinuance Application at 3 n.8.

<sup>74</sup> See *Network Modernization Order* ¶ 1; see also *id.* ¶ 10 (discussing section 214 reforms adopted in 2016).

<sup>75</sup> *Id.* ¶ 4.

<sup>76</sup> *Id.* ¶ 108.

<sup>77</sup> See generally *id.*

networks, and benefits they afford, have been hindered by the need for carriers to divert important resources to the maintenance of aging and deteriorating legacy networks that deliver outdated services to an ever-decreasing number of subscribers.”<sup>78</sup> The Commission thus adopted a set of “common sense reforms” to eliminate “red tape that has both required providers to keep aging copper lines in place and effectively prevented them from investing in the modern infrastructure that Americans want and deserve.”<sup>79</sup>

To start, the Commission codified a prior grant of blanket section 214(a) authority, permitting carriers to grandfather legacy voice service (and certain other lower-speed services) without filing a section 214(a) discontinuance application.<sup>80</sup> The Commission also streamlined the discontinuance process.<sup>81</sup> In particular, the Commission adopted a “consolidated rule” that identified “explicit categories of adequate replacement services” that would support discontinuance.<sup>82</sup> These include facilities-based VoIP, mobile wireless service, and voice services supported by the Commission’s modernized high-cost programs.<sup>83</sup>

Having cut its own bureaucratic “red tape,” the Commission then determined “that federal law preempts state and local requirements to the extent they needlessly constrain the deployment of modern, next-generation IP-based networks by impeding providers’ ability to discontinue providing ... legacy services and to retire outdated and deteriorating legacy

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<sup>78</sup> *Id.* ¶ 2.

<sup>79</sup> *Id.* ¶¶ 1, 4.

<sup>80</sup> *See id.* ¶¶ 6, 60–66.

<sup>81</sup> *See id.* ¶¶ 22, 25, 30, 46–47, 54–55, 58–59.

<sup>82</sup> *Id.* ¶¶ 6, 22, 23–25, 29.

<sup>83</sup> *See id.* ¶¶ 26–40.

networks.”<sup>84</sup> The Commission emphasized that “states lack authority to regulate interstate services”<sup>85</sup> and that once the Commission has “exercised its section 214 authority to allow discontinuance of a service within its regulatory sphere, section 214(c) expressly provides that carriers do not require any other ‘approval’ to discontinue the covered service.”<sup>86</sup>

The Commission confirmed that federal law thus preempts any state requirement that, on its face or in effect, requires a carrier to continue providing legacy voice service after the Commission has authorized discontinuance, or that discourages carriers from seeking such authorization.<sup>87</sup> Also preempted are state requirements obligating carriers to provide grandfathered legacy services to new customers, as such state requirements are incompatible with the Commission’s blanket grandfathering authority and federal discontinuance regime.<sup>88</sup>

Finally, the Commission made clear that states cannot avoid preemption by claiming they are regulating purely “intrastate” services.<sup>89</sup> Section 214 makes the Commission’s authority to permit discontinuance exclusive, and even purportedly intrastate requirements can contravene or interfere with that exclusive authority. Under the “impossibility exception” to state jurisdiction under section 2 of the Communications Act, the Commission’s orders “preempt state law when (1) it is impossible or impracticable to regulate the intrastate aspects of a service without

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<sup>84</sup> *Id.* ¶ 7.

<sup>85</sup> *Id.* ¶ 114.

<sup>86</sup> *Id.*

<sup>87</sup> *See id.* ¶¶ 7, 106, 115.

<sup>88</sup> *See id.* ¶¶ 6–7, 114 & n.415.

<sup>89</sup> *Id.* ¶¶ 112–115.

affecting interstate communications and (2) the Commission determines that such regulation would interfere with federal regulatory objectives.”<sup>90</sup>

The Commission recognized that, for legacy copper networks, even where nominally “local” and “long distance” services are being provided, “these services are provisioned over the same network using the same technology.”<sup>91</sup> Thus, where joint facilities are used to provide intra- and interstate service, state requirements may “prevent a provider from discontinuing the interstate portion of a legacy voice service for which the Commission has already granted discontinuance authorization pursuant to section 214.”<sup>92</sup> Such state requirements “negate a valid federal regulatory objective because the interstate impacts of the state or local requirements cannot be unbundled from the intrastate aspects of those requirements” and are therefore preempted.<sup>93</sup>

## ARGUMENT

The Commission should declare that California’s anachronistic COLR rules and all other regulatory barriers to network modernization are preempted. As the Commission correctly recognized in the *Network Modernization Order*, “where the Commission has lawfully exercised its section 214 authority to allow discontinuance of a service within its regulatory sphere, section 214(c) expressly provides that carriers do not require any other ‘approval’ to discontinue the covered service.”<sup>94</sup> Here, AT&T’s residential POTS is clearly “within [the Commission’s]

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<sup>90</sup> *Id.* ¶ 113 (quoting *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578).

<sup>91</sup> *Id.* ¶ 107.

<sup>92</sup> *Id.* ¶ 114.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.* ¶ 114; *id.* ¶ 7 (explaining that, under section 214(c), “after a carrier obtains Commission authorization to discontinue a service, it need *not obtain any additional authorizations* before implementing that discontinuance of service” (emphasis added)); *id.* ¶ 110 (“After issuance of such certificate, . . . the carrier may, *without securing approval other than such certificate*,

regulatory sphere.” It is a jurisdictionally mixed service—not only technologically, but also operationally and economically—providing customers the ability to make or receive local and interstate long-distance calls over common facilities. Once the Commission allows AT&T to discontinue POTS, no other “approval” is required before AT&T may lawfully do so.

California, however, imposes two additional sets of requirements, each of which forces AT&T to obtain additional state “approvals” before discontinuing POTS and retiring the underlying legacy facilities. First and foremost, California’s COLR rules require AT&T to offer “basic service” to all customers in its service territory, and AT&T can satisfy that state-law obligation only by continuing to provide POTS. Second, California’s tariffing and other associated regulatory requirements independently prevent AT&T California from discontinuing POTS upon Commission approval. Both sets of state requirements must yield to federal law.

**A. Federal Law Preempts State Requirements That Require Additional Authorizations Before Implementing Commission-Approved Discontinuance**

As the Commission correctly recognized, Congress in section 214 “create[d] an exclusively federal discontinuance regime for interstate or jurisdictionally mixed telecommunications services.”<sup>95</sup> Section 214(a) provides that “[n]o carrier shall discontinue . . . service to a community, or part of a community, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public convenience and necessity will be adversely affected thereby.”<sup>96</sup> States play a consultative role in the Commission’s discontinuance determinations: under section 214(b), the Commission must

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comply with the terms and conditions” and “proceed with the . . . discontinuance.” (emphasis added) (cleaned up)).

<sup>95</sup> *Id.* ¶ 108.

<sup>96</sup> 47 U.S.C. § 214(a).

provide “notice” to “the Governor of each State . . . in which such discontinuance . . . of service is proposed, with the right to those notified to be heard.”<sup>97</sup> “This provision allows states to object to any federal discontinuance application prior to any Commission authorization.”<sup>98</sup> But Congress did not grant states any decision-making authority over the discontinuance of interstate or jurisdictionally mixed services.

To the contrary, under section 214(c), the Commission alone “shall have power” to grant discontinuance and to “attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require.”<sup>99</sup> Critically, section 214(c) expressly preempts inconsistent state requirements: “After issuance of such certificate, . . . the carrier may, *without securing approval other than such certificate*, comply with the terms and conditions” and “proceed with the . . . discontinuance.”<sup>100</sup> Thus, “it is the Commission that has sole jurisdiction to decide whether a carrier’s proposed discontinuance adversely affects the public convenience and necessity and whether it should be approved or rejected.”<sup>101</sup>

Reinforcing the point, section 214(c) provides that a “court of competent jurisdiction” “may enjoin any discontinuance of service that occurs ‘*contrary to the provisions of*’ section 214.”<sup>102</sup> By negative inference, therefore, courts may *not* enjoin a discontinuance that is

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<sup>97</sup> *Id.* § 214(b).

<sup>98</sup> *Network Modernization Order* ¶ 110.

<sup>99</sup> 47 U.S.C. § 214(c).

<sup>100</sup> *Id.* (emphasis added); see *Cablevision of Tex. III, L.P. v. Okla. W. Tel. Co.*, 993 F.2d 208, 210 (10th Cir. 1993).

<sup>101</sup> *Network Modernization Order* ¶ 110.

<sup>102</sup> *Id.* (quoting 47 U.S.C. § 214(c) (emphasis added)). And, even where a state obtains an injunction against a carrier from discontinuing service contrary to section 214, the basis for the injunction “evaporate[s]” once the carrier obtains proper approval from the Commission. *Cablevision of Tex.*, 993 F.2d at 210; see *Network Modernization Order* ¶ 110 n.397.

*consistent* with section 214—*i.e.*, a discontinuance approved by the Commission under section 214(a).<sup>103</sup>

The statute thus “leaves exclusively within the jurisdiction of the Commission the determination of whether to grant a certificate of convenience and necessity” to “discontinue a service.”<sup>104</sup> These “powers . . . over . . . the discontinuance of service over existing facilities” are “central to [the Commission’s] mission.”<sup>105</sup> “[N]either section 214(b) nor section 214(c) provides states with the power to decide whether a carrier may discontinue interstate or jurisdictionally mixed service, or empowers states to impose requirements that frustrate or add extra conditions to Commission decisions allowing discontinuance.”<sup>106</sup> By the plain terms of the statute, therefore, state law that obstructs the Commission’s exercise of its discontinuance authority over interstate and jurisdictionally mixed services is preempted and must yield.

Section 2(b) is not to the contrary. As the Commission correctly recognized in the *Network Modernization Order*, section 2(b)’s general division of authority does not displace the more specific and “express[.]” terms of section 214(c), which provides that a carrier may proceed with a Commission-approved discontinuance without any “other” approval—including any approval required by state law.<sup>107</sup> Section 2(b) likewise does not displace general principles of conflict preemption, under which, “[e]ven where Congress has not entirely displaced state regulation in a specific area, state law is pre-empted to the extent that it actually conflicts with

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<sup>103</sup> See *Network Modernization Order* ¶ 110.

<sup>104</sup> *ITT World Commc’ns, Inc. v. N.Y. Tel. Co.*, 381 F. Supp. 113, 120 (S.D.N.Y. 1974).

<sup>105</sup> *Litton Sys., Inc. v. Am. Tel. & Tel. Co.*, 487 F. Supp. 942, 948 (S.D.N.Y. 1980); see *MCI Commc’ns Corp. v. Am. Tel. & Tel. Co.*, 462 F. Supp. 1072, 1080 (N.D. Ill. 1978) (similar).

<sup>106</sup> *Network Modernization Order* ¶ 110.

<sup>107</sup> *Id.* ¶ 114.

federal law.”<sup>108</sup> Consistent with those principles, “[i]t is well established that, under the ‘impossibility exception’ to state jurisdiction, the Commission may preempt state law when (1) it is impossible or impracticable to regulate the intrastate aspects of a service without affecting interstate communications and (2) the Commission determines that such regulation would interfere with federal regulatory objectives.”<sup>109</sup> Similarly, state law that “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress” is preempted.<sup>110</sup>

Faithfully applying these principles, the Commission determined in the *Network Modernization Order* that, “where the Commission has exercised its section 214 discontinuance authority over interstate and/or jurisdictionally mixed services to allow a carrier to discontinue legacy voice service, state requirements that operate to require the carrier to continue providing those services conflict with federal law.”<sup>111</sup> For starters, section 214(c) “expressly provides that carriers do not require any other ‘approval’ to discontinue the covered service.”<sup>112</sup> As to the first prong of the impossibility exception test, these state requirements “effectively ‘negate the Commission’s exercise of its lawful authority because regulation of the interstate aspects of the

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<sup>108</sup> *Exxon Corp. v. Eagerton*, 462 U.S. 176, 182 (1983).

<sup>109</sup> *Network Modernization Order* ¶ 113 (quoting *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578); see also, e.g., *N.C. Utils. Comm’n v. FCC*, 552 F.2d 1036 (4th Cir. 1977) (“*North Carolina II*”); *Comput. & Commc’ns Indus. Ass’n v. FCC*, 693 F.2d 198 (D.C. Cir. 1982); *State Corp. Comm’n v. FCC*, 787 F.2d 1421 (10th Cir. 1986); *Nat’l Ass’n of Regul. Comm’rs v. FCC*, 880 F.2d 422 (D.C. Cir. 1989); *Pub. Serv. Comm’n of Md. v. FCC*, 909 F.2d 1510 (D.C. Cir. 1990); *California v. FCC*, 905 F.2d 1217 (9th Cir. 1990).

<sup>110</sup> *Network Modernization Order* ¶ 113 (quoting *Sickle v. Torres Advanced Enter. Sols., LLC*, 884 F.3d 338, 347 (D.C. Cir. 2018)).

<sup>111</sup> *Id.* ¶ 114.

<sup>112</sup> *Id.*

matter cannot be severed from regulation of the intrastate aspects.’”<sup>113</sup> And, as to the second prong, these state requirements “negate” the Commission’s “critical” federal regulatory objective: encouraging “the transition to next-generation networks and services.”<sup>114</sup> At the very least, such state requirements conflict with the clear congressional choice to allow states to participate in the Commission’s discontinuance process rather than to regulate on top of it. Consequently, “any such state requirements, to the degree they regulate services shown to be jurisdictionally mixed, are subject to preemption pursuant to both the impossibility exception and general principles of conflict preemption”—as well as express preemption.<sup>115</sup>

**B. POTS Is A Jurisdictionally Mixed Service With An Inseverable Interstate Component**

As the Commission noted in the *Network Modernization Order*, legacy voice services transmit voice communications “using circuit-switched [TDM] technology,” “usually over copper wires.”<sup>116</sup> While this service “generally includes what is sometimes colloquially described as ‘local telephone service,’ . . . that term does not accurately reflect the jurisdictional nature of the service as a practical matter in today’s networks.”<sup>117</sup> In fact, “[f]ew, if any, networks today operate on a purely local or even intrastate level”; rather, “[t]he vast majority of consumers use the same provider for both their local and long distance service,” and “these services are provisioned over the same network using the same technology.”<sup>118</sup>

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<sup>113</sup> *Id.*

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> *Id.* ¶ 107.

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

Although the Commission declined in the *Network Modernization Order* to decide whether any particular POTS service is jurisdictionally mixed, it stated that it “will consider on a case-by-case basis whether certain legacy voice services are interstate or jurisdictionally mixed.”<sup>119</sup> The Commission should find now, for two reasons, that AT&T’s POTS is a “jurisdictionally mixed” service.

*First*, as set forth in more detail in the attached declaration of Dr. Hany Fahmy, it is impossible for AT&T to discontinue the interstate aspects of POTS and retire the associated legacy infrastructure without also discontinuing the intrastate aspects of POTS.<sup>120</sup> The wires and switches that AT&T’s POTS customers in California use to make or receive local or intrastate calls are the same wires and switches they use to make or receive long-distance calls.<sup>121</sup> Indeed, this network architecture is inherent to the CPUC’s definition of “basic service,” which requires AT&T to use its local network to provide exchange access, enabling subscribers to make and receive interstate, long-distance calls.<sup>122</sup> Whether a customer places a call to a destination across the street or across the country, the same copper wires transmit the signal to the same switches in the same local AT&T wire center to be routed appropriately.<sup>123</sup> In short, “these services,” inter- and intrastate, “are provisioned over the same network using the same technology.”<sup>124</sup>

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<sup>119</sup> *Id.* ¶ 107 n.383.

<sup>120</sup> Declaration of Dr. Hany Fahmy ¶¶ 10–12 (“Fahmy Decl.”) (attached at Exhibit 1).

<sup>121</sup> *See id.* ¶ 9; *see also* USTelecom Ex Parte Letter, WC Dkt. No. 25-208, at 7–9 (Feb. 6, 2026).

<sup>122</sup> *See supra* Part I.A.2; *2012 California COLR Order*, 2012 Cal. PUC LEXIS 597, app A, pt. I.1, at \*89 (stating that a COLR “must offer customers the ability to place and receive voice-grade calls over all distances utilizing the public switched telephone network or successor network” and that “[a] basic service provider must allow equal access to all interexchange carriers within the local calling area in accordance with state and federal law and regulation”).

<sup>123</sup> *See* Fahmy Decl. ¶ 9.

<sup>124</sup> *Network Modernization Order* ¶ 107.

Critically, the discontinuance contemplated by the *Network Modernization Order* (and simultaneously requested in the AT&T Discontinuance Applications) is intended to allow carriers like AT&T not just to cease providing legacy voice services, but also “to retire outdated and deteriorating legacy networks.”<sup>125</sup> Whatever ability there may be to separate intra- and interstate components of POTS for purposes of rate regulation, there is no such ability for discontinuance and facilities retirement. The Commission declared its goal of “cutting through the red tape that has . . . required providers to keep aging copper lines in place.”<sup>126</sup> But, if AT&T were to retire the copper lines and associated infrastructure that support the *interstate* aspects of POTS, it necessarily would have to retire the infrastructure that supports the *intrastate* aspects as well. It is all the same infrastructure.<sup>127</sup> California, however, precludes AT&T from discontinuing intrastate service, which effectively precludes AT&T from discontinuing the interstate service and achieving the Commission’s policy goal of retiring outdated POTS network facilities.<sup>128</sup> As courts have made clear, the requirements of the impossibility exception are met in these circumstances.<sup>129</sup>

In section 214, Congress has confirmed the Commission’s authority over jurisdictionally mixed infrastructure. Section 214(a) provides that a carrier need not obtain Commission approval to construct, acquire, or operate a “line within a single state *unless such line constitutes part of an interstate line.*”<sup>130</sup> It follows that Commission approval *is* required to construct, acquire, or

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<sup>125</sup> *Id.* ¶ 7; *see id.* ¶ 114 (similar).

<sup>126</sup> *Id.* ¶ 1.

<sup>127</sup> *See* Fahmy Decl. ¶ 12.

<sup>128</sup> *See id.*

<sup>129</sup> *See, e.g., N.C. Utils. Comm’n v. FCC*, 537 F.2d 787 (4th Cir. 1976) (“*North Carolina P*”); *North Carolina II*, 552 F.2d 1036; *Comput. & Commc’ns Indus. Ass’n*, 693 F.2d at 215.

<sup>130</sup> 47 U.S.C. § 214(a) (emphasis added).

operate an intrastate line that is part of an interstate line. The Commission thus necessarily possesses jurisdiction—and its discontinuance decisions thus preempt state law—with respect to the intrastate portion of interstate lines. Here, to the extent POTS is an intrastate service, it is provided over intrastate lines that are part of interstate lines.

*Second*, even if the infrastructure supporting the inter- and intrastate aspects of POTS were physically separable, discontinuing the interstate aspects of POTS while continuing the intrastate aspects still would be “impracticable.”<sup>131</sup> The Commission and courts alike have repeatedly recognized that Commission actions preempt state law not only where it is physically impossible to separate intra- and interstate service, but also where doing so is infeasible “as a practical matter” and “on a practical level.”<sup>132</sup> Even if physical separation is “possible technologically,” the Commission may appropriately determine “that such separation [i]s not practical”<sup>133</sup> based on “economic and operational factors.”<sup>134</sup>

Courts have upheld such determinations, for example, where “the economic burden of identifying” a jurisdictional dividing line was substantial<sup>135</sup> or where the Commission has found that consumers “generally wish[ed] to purchase both interstate and intrastate” services, and enforcing jurisdictional separation would be “detrimental to the consumer and the interstate communications system.”<sup>136</sup> And “[s]ervice providers are not required to develop a mechanism

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<sup>131</sup> *Network Modernization Order* ¶ 113 (quoting *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578).

<sup>132</sup> *Id.* ¶ 107.

<sup>133</sup> *Pub. Serv. Comm’n of Md.*, 909 F.2d at 1516.

<sup>134</sup> *California*, 39 F.3d at 932; see Peter W. Huber, Michael K. Kellogg & John Thorne, *Federal Telecommunications Law* § 3:7 (3d ed. 2026) (discussing same).

<sup>135</sup> *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578.

<sup>136</sup> *Comput. & Commc’ns Indus. Ass’n*, 693 F.2d at 215.

for distinguishing between interstate and intrastate communications merely to provide state commissions with an intrastate communication they can regulate.”<sup>137</sup>

The Fourth Circuit’s *North Carolina Utilities Commission* decisions,<sup>138</sup> cited with approval by the Supreme Court in *Louisiana Public Service Commission v. FCC*,<sup>139</sup> are instructive. There, the court upheld the Commission’s preemption of state regulations barring the use of customer-provided telephone equipment in intrastate communications, which conflicted with the Commission’s regulations permitting such equipment for interstate use.<sup>140</sup> The court acknowledged that it was physically possible to reconcile the differing state and federal regulations because customers theoretically could maintain separate equipment for intrastate and interstate use.<sup>141</sup> But the court upheld the Commission’s determination that such a separation was “a practical and economic impossibility.”<sup>142</sup>

Here, too, retiring legacy interstate POTS while retaining purely intrastate basic service would be operationally and economically impracticable. As an initial matter, the CPUC itself has made clear that subscribers generally require the ability to receive and make interstate, long-distance calls and has made “the ability to place and receive voice-grade calls over all distances” a core COLR requirement.<sup>143</sup> Thus, AT&T has no option but to offer interstate service. Even apart from that, AT&T’s POTS customers use its legacy facilities interchangeably for local and

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<sup>137</sup> *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578.

<sup>138</sup> *North Carolina I*, 537 F.2d 787; *North Carolina II*, 552 F.2d 1036.

<sup>139</sup> 476 U.S. at 385 n.4.

<sup>140</sup> *See North Carolina II*, 552 F.2d at 1043.

<sup>141</sup> *See North Carolina I*, 537 F.2d at 791–92.

<sup>142</sup> *North Carolina II*, 552 F.2d at 1043.

<sup>143</sup> 2012 CPUC COLR Order, 2012 Cal. PUC LEXIS 597, app. A, I.1, at \*89.

long-distance calls, showing that they “generally wish to purchase both interstate and intrastate” services over shared infrastructure.<sup>144</sup> As it stands today, AT&T’s POTS is a jurisdictionally mixed service, and AT&T is not required to develop a new, purely intrastate version of POTS “merely to provide [the CPUC] with an intrastate communication [it] can regulate.”<sup>145</sup>

In any event, providing purely intrastate POTS would be uneconomical and thus unsustainable. Because AT&T uses the same infrastructure for intra- and interstate calling, offering a purely intrastate service would still require AT&T to continue maintaining substantially the same legacy network. As noted, the costs of maintaining and operating AT&T’s TDM network and legacy services in California are enormous, about \$1 billion annually.<sup>146</sup> This network consumes a vast amount of power and requires ceaseless maintenance.<sup>147</sup> Replacement parts are often not commercially available—indeed, in some cases, AT&T is forced to turn to eBay to replace important equipment such as line cards for circuit switches.<sup>148</sup> Ongoing copper theft issues have only exacerbated these challenges.<sup>149</sup> At the same time, the customer base available to fund AT&T’s POTS network in California is already small and declining—only

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<sup>144</sup> *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578.

<sup>145</sup> *Id.*

<sup>146</sup> See *supra* Part I.B; see also *Network Modernization Order* ¶ 9 n.19; Fahmy Decl. ¶ 12.

<sup>147</sup> See *Network Modernization Order* ¶ 9.

<sup>148</sup> See *Comments of USTelecom – The Broadband Ass’n on ALJ Ruling Regarding Comments on Topics Discussed at the Aug. 22, 2025, Workshop*, R.24-06-012, at 27–28 (C.P.U.C. filed Nov. 21, 2025), <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M588/K915/588915231.PDF>.

<sup>149</sup> See *Network Modernization Order* ¶ 9; Susan Santana, *Teaming Up to Tackle Copper Theft*, AT&T Connects (July 16, 2025), <https://www.attconnects.com/teaming-up-to-tackle-copper-theft/>.

three percent of households in AT&T’s service territory subscribe to the current, jurisdictionally mixed version of POTS.<sup>150</sup>

As noted, the CPUC has made clear that the ability to place and receive interstate, long-distance calls is an essential part of the voice service consumers expect and require.<sup>151</sup> If, in the *North Carolina Utilities Commission* decisions, requiring customers merely to maintain separate telephones for local and long-distance calls was “a practical and economic impossibility,”<sup>152</sup> then requiring AT&T to maintain an entire legacy copper network for a purely intrastate service serving a tiny or non-existent customer base is *a fortiori* impracticable—and would directly frustrate the Commission’s objective of freeing up resources for investment in modern network technologies.

### **C. California’s COLR Rules Conflict With Federal Law**

The only remaining question is whether the California state requirements “interfere with federal regulatory objectives.”<sup>153</sup> They do. California’s COLR rules fit those identified in the *Network Modernization Order* to a tee: they “have the effect of preventing carriers from seeking to retire deteriorating legacy networks and discontinuing outdated TDM-based services taken by ever-fewer customers for undetermined periods of time, leaving these providers unable to

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<sup>150</sup> See *Pac. Bell Tel. Co. d/b/a AT&T Cal.’s (U 1001 C) Opening Comments on the Proposed Decision Dismissing with Prejudice the Appl. of AT&T Cal. To Withdraw as a Carrier of Last Resort*, A.23-03-003, at 7 (C.P.U.C. filed May 30, 2024), [docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M532/K621/532621192.PDF](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M532/K621/532621192.PDF) (“AT&T California Comments on COLR PD”).

<sup>151</sup> See *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597, app. A, I.1, at \*89.

<sup>152</sup> *North Carolina II*, 552 F.2d at 1043.

<sup>153</sup> *Network Modernization Order* ¶ 113 (quoting *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578).

redirect time and resources away from the development and deployment of next-generation networks and technologies.”<sup>154</sup>

Because AT&T is the only COLR within its service territory, the only way for AT&T to escape its state-law obligation to provide “basic service” is for some other carrier to take AT&T’s place. As the CPUC has explained, its “current rules require that there be a COLR for every Californian and no telecommunications service provider may stop being a COLR unless another telecommunications service provider stands ready to assume the legal obligation to offer basic service in the designated COLR territory.”<sup>155</sup> Over 200 carriers recently were offered the opportunity to assume AT&T’s COLR obligations; unsurprisingly, none accepted the invitation to be bound by outdated and onerous regulations.<sup>156</sup>

Notwithstanding the POTS-focused requirements of “basic service,” the CPUC has argued that its COLR regime does not prevent AT&T from discontinuing POTS because the COLR rules are “technology neutral” and thus allow AT&T to retire its copper network while continuing to provide the required “basic service” over an IP-based network.<sup>157</sup> But that

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<sup>154</sup> *Id.* ¶ 114 & n.411.

<sup>155</sup> *Carrier of Last Resort Rulemaking*, Cal. Pub. Utils. Comm’n, <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-of-last-resort-rulemaking> (last visited May 17, 2026).

<sup>156</sup> See AT&T California Comments on COLR PD at 9; *CPUC COLR Dismissal Order*, 2024 Cal. PUC LEXIS 331, at \*15 (“[N]o carrier eligible to replace AT&T as a COLR volunteered to do so.”).

<sup>157</sup> CPUC Reply Comments, WC Dkt. No. 25-208, at 2–4 & nn.2, 7 (Nov. 18, 2025). The CPUC also cannot justify COLR on universal service grounds. See *1996 CPUC COLR Decision*, 1996 Cal. PUC LEXIS 1046, at \*1. Any universal service justification COLR may have had in 1996 no longer exists. Moreover, section 254(f) provides that a state “may adopt regulations to provide for additional definitions and standards to preserve and advance universal service within that State *only to the extent that such regulations adopt additional specific, predictable, and sufficient mechanisms to support such definitions or standards.*” 47 U.S.C. § 254(f) (emphasis added). The Commission has emphasized that section 254 imposes a “competitive neutrality” principle and that “universal service support mechanisms and rules [must] neither unfairly advantage nor

justification fails for two fundamental reasons: First, the Commission has made clear that the “practical effect” of a state’s COLR regime controls—not the labels a state assigns to it. Second, and independently, the CPUC’s supposedly “technologically neutral” approach represents an attempt to leverage its limited authority over intrastate services to control interstate services, which federal law forbids.

### **1. California’s COLR Regime Impedes AT&T’s Ability To Discontinue**

The CPUC’s COLR regime directly impedes AT&T from discontinuing residential POTS as permitted by the Commission. The basic services a COLR must provide include “free access to operator services” or “[d]irectory services,” such as “access to directory assistance within the customer’s local community,” directory listings, and the “option to receive a free white pages telephone directory.”<sup>158</sup> These features are foreign to any service other than POTS. To AT&T’s knowledge, no wireless, VoIP, mobile, or cable carrier includes them in its modern nationwide offerings. And forcing AT&T—but not its rivals—to develop and add these vestigial POTS features to its nationwide IP-based services would impede AT&T’s ability to discontinue POTS. It would require AT&T to bear the costs of reconfiguring its IP-based services, all in order to

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disadvantage one provider over another.” *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd. 8776, ¶¶ 46–47 (1997). Yet that is precisely what California’s COLR rules do. They impose a compulsory service obligation on AT&T, and AT&T alone, within its legacy service territory. And they do so based on AT&T’s historical status as an incumbent telephone provider in 1996, even though the marketplace is now fiercely competitive, and AT&T has numerous competitors with larger customer bases. Whatever the CPUC’s universal service authority, it cannot impose an almost entirely unfunded mandate on AT&T alone, nor require AT&T to use POTS to meet a universal service obligation after the Commission has authorized discontinuance of POTS based on a finding that modern services are, *in fact*, available to POTS customers.

<sup>158</sup> 2012 CPUC COLR Order, 2012 Cal. PUC LEXIS 597, app. A, pt. I.1, at \*89; *see supra* Part I.A.1. *But see* Staff COLR Proposal at 54–56 (proposing to eliminate the operator-services and directory-services elements).

provide features that consumers do not want. It would severely slow down discontinuance approvals, and perhaps make them economically unviable altogether.

Even if the CPUC were to eliminate the POTS-focused elements of its basic-service definition, that would not create a “technology neutral” regime. While AT&T has aggressively deployed fiber, AT&T as a practical matter would have to use its mobile wireless network to provide “basic service” to the substantial majority of its service territory.<sup>159</sup> But it is demonstrably implausible that the CPUC would ultimately allow AT&T to use its mobile network to fulfill its “basic service” obligation. The CPUC views mobile as a second-class service. In its recent proposal for COLR “reform,” for example, the CPUC staff would only allow COLRs to obtain relief where they provide “wireline” broadband service.<sup>160</sup> That is because it does “not consider mobile service as a full substitute for a COLR.”<sup>161</sup> CPUC staff also cast doubt on the accuracy of wireless maps that would be critical to establish the availability of any wireless service in a practical way, asserting that these “maps cannot be considered reliable determinants for COLR substitution.”<sup>162</sup> These views stand in stark contrast to those of the Commission, which has found that mobile service and interconnected wireless VoIP service are adequate replacements for POTS and that coverage of these services can be established by the National Broadband Maps.<sup>163</sup>

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<sup>159</sup> While not itself a mobile service, as noted, AT&T’s AP-A offering is typically delivered to customers over AT&T’s mobile network.

<sup>160</sup> Staff COLR Proposal at 80.

<sup>161</sup> *Id.* at 22.

<sup>162</sup> *Id.* at 25.

<sup>163</sup> *See supra* Part I.C; *see also* AT&T Residential Discontinuance Application at 7–10.

The CPUC likewise demonstrated its belief that mobile wireless service is not an adequate alternative to wireline service like POTS in denying AT&T’s application to relinquish its designation as an ETC.<sup>164</sup> There, even though the statute commands that the CPUC “shall permit” relinquishment “in any area served by more than one” ETC,<sup>165</sup> the CPUC determined categorically that AT&T may not relinquish based on any mobile wireless alternative ETC.<sup>166</sup> In this regard, the CPUC also determined that AT&T cannot rely on wireless coverage maps.<sup>167</sup> Instead, the CPUC determined that AT&T must prove “indoor[]” signal strength “at the individual customer level” for hundreds of thousands of residential customers—a standard no ETC could practically meet.<sup>168</sup> That evidentiary standard, if applied to the COLR context, would likewise make it practically impossible for COLRs to retire POTS in favor of mobile wireless.

Just as problematically, even if the CPUC somehow ultimately allowed AT&T to provide non-POTS “basic service,” AT&T would still have to play “mother-may-I” in order to discontinue POTS in favor of superior alternatives, like mobile wireless or AP-A. As described above, AT&T would need to create new state tariffs for these services and have the CPUC sign off on (and thus regulate) the terms, conditions, and rates of those services.<sup>169</sup> To be able to use mobile service in particular, AT&T also would need to convince the CPUC that it can use mobile

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<sup>164</sup> See *Decision Denying in Part Pac. Bell Tel. Co. d/b/a AT&T Cal.’s Application To Relinquish Eligible Telecomms. Carrier Designation*, D.25-12-004, 2025 Cal. PUC LEXIS 579, at \*32, \*64–65 (Dec. 5, 2025) (“*CPUC ETC Denial*”). AT&T discusses the errors pervading the CPUC’s ETC denial in greater detail in its Forbearance Petition.

<sup>165</sup> 47 U.S.C. § 214(e)(4).

<sup>166</sup> See *CPUC ETC Denial*, 2025 Cal. PUC LEXIS 579, at \*31, \*50–54, \*64–72.

<sup>167</sup> See *id.* at \*40–48, \*59–67.

<sup>168</sup> *Id.* at \*2, \*22, \*61 (citation omitted).

<sup>169</sup> See *supra* Part I.A.2.

service to provide basic service notwithstanding that the CPUC has not issued service-quality regulations for mobile service.<sup>170</sup>

Again, federal law does not permit the CPUC to delay discontinuance or add its own substantive requirements for doing so. Under section 214(c), once the Commission grants discontinuance, AT&T “may, without securing approval other than [federal discontinuance], . . . proceed with the . . . discontinuance.” By its plain terms, that language means that, with the Commission’s approval, AT&T may discontinue POTS without securing CPUC approval.<sup>171</sup> The Commission’s grant of discontinuance authorizes AT&T to discontinue upon satisfying the Commission’s conditions—and no others. As the Supreme Court has explained, California “may not enforce . . . requirements . . . which impose upon the performance of activity sanctioned by federal [law] additional conditions not contemplated by Congress.”<sup>172</sup> So if the Commission’s approval “is unqualified, then, by virtue of the Supremacy Clause, [California] may not deny to those failing to meet its own qualifications the right to perform the functions within the scope of the federal authority.”<sup>173</sup> Yet in allowing AT&T to discontinue POTS only on the condition that AT&T offers a state-approved substitute service, that is precisely what California is doing.

Experience shows that the need to secure the CPUC’s affirmative “approval” here is highly problematic. Given the CPUC’s history, obtaining the necessary approvals would, at a minimum, be costly and burdensome. AT&T would need to endure contested regulatory

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<sup>170</sup> See *supra* note 35. It is thus also unclear whether the CPUC would view AP-A as having established service quality metrics or new metrics would need to be developed given its reliance on AT&T’s mobile network. See *supra* note 24.

<sup>171</sup> See *Cablevision of Tex.*, 993 F.2d at 210 (“[T]he statute clearly provides that the carrier may proceed in compliance with the [discontinuance] certificate once it is issued.”).

<sup>172</sup> *Sperry v. Florida*, 373 U.S. 379, 385 (1963) (citation omitted).

<sup>173</sup> *Id.*; see *Haywood v. Drown*, 556 U.S. 729, 737 (2009) (explaining that states may not place conditions on federal rights).

proceedings to relitigate what the Commission will have already concluded: that adequate replacement services exist for AT&T's existing POTS customers in the Affected Service Area. At best, this would take years, with no certainty that the CPUC would ultimately allow AT&T to discontinue POTS or what conditions would be attached.

By mandating that basic service include POTS-specific elements, requiring AT&T to obtain CPUC approval before providing basic service over modern networks, and signaling an unwillingness to allow AT&T to provide basic service over wireless, California has made clear that its COLR regime places additional conditions on AT&T's ability to discontinue POTS over and above approval from the Commission under section 214(a). Under section 214(c) and basic preemption principles, that is unlawful.

**2. The CPUC's Requirements Are Preempted Because the CPUC Seeks To Regulate Interstate Services Contrary to Federal Policy**

The Commission also should find that the CPUC's supposedly "technologically neutral" COLR regime is independently preempted because it attempts to bootstrap the CPUC's limited authority over purely intrastate service into sweeping authority to regulate the core terms and rates of interstate services. Unlike POTS, modern services like wireless and VoIP are not offered with a segregable intrastate component that could be subject to state jurisdiction. They are jurisdictionally mixed offerings that draw no technological or economic distinction between communications where the participants are in the same state or different states. Indeed, as noted, the CPUC expressly requires COLRs to provide the ability of customers to make calls of "all distances."<sup>174</sup> AT&T thus cannot fulfill its COLR obligations through a service other than POTS without subjecting an interstate service to state regulatory authority.

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<sup>174</sup> 2012 CPUC COLR Order, 2012 Cal. PUC LEXIS 597, app. A, I.1, at \*89.

In the *Network Modernization Order*, however, the Commission “stress[ed] that states lack authority to regulate interstate services.”<sup>175</sup> California cannot leverage its historical authority to regulate the then-separable, intrastate aspects of POTS into authority—which federal law denies it—over all-distance IP-based services. Nor can it mandate that AT&T spend to develop a new service that includes a separate intrastate-only component “merely to provide [the CPUC] with an intrastate communication [it] can regulate.”<sup>176</sup> This problem is particularly acute for mobile wireless services—section 332(c)(3) of the Communications Act expressly strips the CPUC of “any authority to regulate the entry of or the rates charged” by mobile wireless carriers, including through tariffs.<sup>177</sup>

The Commission should expressly confirm and declare that state “basic service” regulation of jurisdictionally mixed, all-distance wireless and VoIP service is itself preempted. Having “emphasize[d] that states lack authority to regulate interstate services,” the Commission should confirm that that principle precludes California from conditioning a COLR’s discontinuance of POTS on the COLR’s agreement to subject replacement interstate services to the CPUC’s regulatory authority.<sup>178</sup> Indeed, Congress has occupied the field of interstate communications for more than a century.<sup>179</sup> But even if California somehow had authority to

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<sup>175</sup> *Network Modernization Order* ¶ 114.

<sup>176</sup> *Minn. Pub. Utils. Comm’n*, 483 F.3d at 578.

<sup>177</sup> 47 U.S.C. § 332(c)(3).

<sup>178</sup> *See Network Modernization Order* ¶ 114.

<sup>179</sup> Congress first occupied the field of interstate communications in 1910, when it brought “under federal control the interstate business of telegraph companies” and thereby “excluded state action”—including a state effort to enact a telegraph neutrality statute. *Postal Tel.-Cable Co. v. Warren-Godwin Lumber Co.*, 251 U.S. 27, 31 (1919); *see W. Union Tel. Co. v. Boegli*, 251 U.S. 315, 316–17 (1920) (explaining that the 1910 Act prohibited “the continuance of state power” over that interstate service). The Communications Act carried forward that “intent . . . to occupy the field to the exclusion of state law.” *Ivy Broad. Co. v. Am. Tel. & Tel. Co.*, 391 F.2d 486, 490–91 (2d Cir. 1968); *see O’Brien v. W. Union Tel. Co.*, 113 F.2d 539, 541 (1st Cir. 1940)

regulate interstate services in the absence of a conflict with federal regulation, the Commission should expressly declare that the CPUC’s supposedly “technologically neutral” approach “prevent[s] or frustrate[s] the accomplishment of a federal objective” and is preempted for that reason as well.<sup>180</sup>

The conflict is particularly stark in the context of tariffing. As noted, the CPUC would require a COLR to tariff replacement interstate wireless and VoIP residential services and subject them to state public utility regulation.<sup>181</sup> But the Commission has imposed mandatory detariffing of competitive interstate services precisely to avoid such regulation<sup>182</sup>—and has preempted “tariffing” requirements as “directly conflict[ing] with our pro-competitive deregulatory rules and policies.”<sup>183</sup> The Commission has found:

a regime without nondominant interexchange carrier tariffs for interstate, domestic, interexchange services is the most pro-competitive, deregulatory

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(same). Congress’s intent to occupy the field is reflected in 47 U.S.C. § 152, which in subsection (a) grants the Commission “comprehensive authority” to “regulate all aspects of interstate communication by wire or radio.” *Cap. Cities Cable, Inc. v. Crisp*, 467 U.S. 691, 700 (1984); see *La. Pub. Serv. Comm’n*, 476 U.S. at 360 (describing § 152(a) as giving the FCC “plenary authority” over interstate service).

<sup>180</sup> *Network Modernization Order* ¶ 114.

<sup>181</sup> See *supra* Part I.A.2.

<sup>182</sup> See, e.g., *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, as Amended*, Second Report and Order, 11 FCC Rcd. 20730, ¶ 3 (1996) (“*Interexchange Detariffing Order*”) (“order[ing] all nondominant interexchange carriers to cancel their tariffs for interstate, domestic, interexchange services”); *Implementation of Sections 3(n) and 332 of the Communications Act Regulatory Treatment of Mobile Services*, Second Report and Order, 9 FCC Rcd. 1411, ¶ 16 (1994) (forbearing “from imposing any tariff filing obligations upon CMRS providers”); see also *Vonage Holdings Co. Petition for Declaratory Ruling Concerning an Order of the Minnesota Public Utilities Commission*, Memorandum Opinion and Order, 19 FCC Rcd. 22404, ¶ 20 (2004) (explaining that Vonage’s VoIP service, if classified as a telecommunications service, “would be considered a nondominant, competitive telecommunications provider for which the Commission has eliminated entry and tariff filing requirements”) (“*Vonage Preemption Order*”), *aff’d*, *Minn. Pub. Utils. Comm’n*, 483 F.3d 570.

<sup>183</sup> *Vonage Preemption Order* ¶ 20 (preempting state tariffing requirements for VoIP service).

system. Specifically, we find that not permitting nondominant interexchange carriers to file tariffs . . . will enhance competition among providers of such services, promote competitive market conditions, and achieve other objectives that are in the public interest, including . . . establishing market conditions that most closely resemble an unregulated environment.<sup>184</sup>

In this regard, the Commission emphasized that “tariff filings by nondominant interexchange carriers for interstate, domestic, interexchange services may facilitate, rather than deter, price coordination, because under a tariffing regime, all rate and service information is collected in one, central location.”<sup>185</sup> In addition, the Commission found that tariffing “(1) remov[es] incentives for competitive price discounting; (2) reduc[es] or tak[es] away carriers’ ability to make rapid, efficient responses to changes in demand and cost; (3) impos[es] costs on carriers that attempt to make new offerings; and (4) prevent[s] consumers from seeking out or obtaining service arrangements specifically tailored to their needs.”<sup>186</sup> Indeed, the Commission’s detariffing mandate creates a direct instance of impossibility preemption<sup>187</sup>—it is impossible for AT&T to satisfy its state-law obligation to provide tariffed basic service while still complying with federal law prohibiting tariffing.

### **3. The COLR Requirements Compelling Business Service Are also Preempted**

The CPUC’s COLR regime would also negate a Commission decision approving discontinuance of AT&T’s POTS with respect to business customers. To obtain discontinuance

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<sup>184</sup> *Interexchange Detariffing Order* ¶ 52.

<sup>185</sup> *Id.* ¶ 23; *see id.* ¶¶ 37, 42, 53, 61.

<sup>186</sup> *Id.* ¶ 53; *see id.* ¶¶ 54–55, 60.

<sup>187</sup> *See Mut. Pharm. Co. v. Bartlett*, 570 U.S. 472, 486–87 (2013) (“When federal law forbids an action required by state law, the state law is without effect.” (cleaned up)); *Cap. Cities Cable*, 467 U.S. at 706 (holding state law preempted where it “compels conduct that federal law forbids”).

approval, AT&T need only show that its *existing* business customers can receive AP-A service, and once discontinuance is granted, AT&T would be free to cease offering POTS.

But the CPUC would impose additional conditions on that grant. As noted, the CPUC's COLR rules require AT&T to provide voice service to *any* business customer in its territory, including in the Affected Service Area.<sup>188</sup> And, as such, it would effectively require AT&T to maintain its POTS network in many wire centers where it is not able to use AP-A to serve *every location* in the wire center, as the COLR rule requires. This requirement clearly imposes an additional condition—indeed, an enormously burdensome one—on the Commission's conclusive grant of discontinuance.

Further, even as to those wire centers where it has complete AP-A coverage, there is still a barrier. As discussed above, given the CPUC's hostility to wireless service, it is highly unlikely that the CPUC would agree that AT&T could satisfy its COLR obligation to serve all locations using AP-A. AT&T accordingly would need to maintain its POTS network to satisfy the CPUC that it can “serve all customers upon request.”<sup>189</sup>

#### **D. California's Tariffing And Other Regulatory Requirements Independently Impede AT&T From Discontinuing POTS**

In addition to its COLR rules, the CPUC also enforces additional tariffing and other regulatory requirements that would independently prevent AT&T California from discontinuing POTS on the terms set by the Commission. Those state requirements, too, are preempted.

*First*, California law precludes detariffing of basic service. As noted, COLRs are required to tariff their basic service, and AT&T has done so.<sup>190</sup> Eliminating any basic-service element in

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<sup>188</sup> See 2012 CPUC COLR Order, 2012 Cal. PUC LEXIS 597, app. C at \*99.

<sup>189</sup> *Id.*

<sup>190</sup> See *supra* Part I.A.2.

AT&T’s tariff would require prior CPUC approval.<sup>191</sup> Although the CPUC otherwise has authority to exempt competitive offerings from tariff regulation, the relevant California statute expressly excludes basic exchange services from the class of services the CPUC may detariff.<sup>192</sup> Under state law, therefore, AT&T would not only be required to “secur[e] approval” from the CPUC despite the Commission’s permission to discontinue POTS—in direct contravention of section 214(c) and the Commission’s approval of AT&T’s Discontinuance Applications—but also would have no possibility of actually securing that approval.<sup>193</sup>

*Second*, even apart from tariffing, California law requires CPUC approval to discontinue basic service under its “*General Order*” industry rules.<sup>194</sup> Obtaining this approval would necessitate a formal CPUC proceeding, along with separate notice obligations beyond those required by the Commission’s rules governing service changes and customer transitions.<sup>195</sup> Again, such proceedings are lengthy and contested. The CPUC would have no obligation to decide AT&T’s application on a timely basis—while the CPUC is nominally subject to an 18-

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<sup>191</sup> See Cal. Pub. Util. Code §§ 489, 491, 495.7.

<sup>192</sup> See *id.* § 495.7(b) (allowing the CPUC “partially or completely” to “exempt certain telecommunications services, *except basic exchange service offered by telephone or telegraph corporations*, from the tariffing requirements of Sections 454, 489, 491, and 495” if a statutory condition is met (emphasis added)); *Decision Establishing Regul. Framework for Tel. Corps. Providing Interconnected Voice over Internet Protocol Serv.*, D.24-11-003, 2024 Cal. PUC LEXIS 623, \*102–106 (Nov. 7, 2024)(discussing tariffing requirements of Public Utility Code).

<sup>193</sup> And so long as AT&T retains an obligation to offer basic service, it also has an obligation to participate in the California LifeLine program. See Cal. Pub. Util. Code § 876; *2012 CPUC COLR Order*, 2012 Cal. PUC LEXIS 597 app. A, pt. I.4(d), at \*93; Cal. Pub. Utils. Comm’n, *General Order 153-A* § 3.2; see also *id.* § 1.3 (“Participation in California LifeLine by Non-Traditional Providers (wireless, VoIP, Internet Service Providers, etc.) is optional.”).

<sup>194</sup> *General Order 96-B* (Telecommunications Industry Rules 3.3 & 7.4). The CPUC would also require formal proceedings in order for AT&T to withdraw its wholesale POTS tariff. *Id.*

<sup>195</sup> *Id.* (Telecommunications Industry Rules 3, 3.2, 5, 7.4 & 8.5).

month deadline to decide applications, it routinely extends that deadline.<sup>196</sup> And ultimately, the CPUC could simply deny relief. AT&T's experience confirms that these concerns are not hypothetical: the CPUC took nearly 15 months to adjudicate AT&T's COLR and tariff relinquishment application—only to grant a motion to dismiss that had been filed shortly after the application was filed.<sup>197</sup>

Finally, even though it would continue to offer AP-A, AT&T would have to comply with the CPUC's Mass Migration Guidelines, which impose yet further CPUC application and customer-notice requirements when discontinuing service.<sup>198</sup> These "guidelines" require that, to withdraw from providing local voice service (like POTS) to customers, a provider must file a formal application and submit a 19-point "Exit Plan"—and must continue to offer existing service until the CPUC approves these submissions.<sup>199</sup>

The cumulative effect of these requirements is to give the CPUC a practical veto over AT&T's discontinuance of POTS. To discontinue service in the Affected Service Area, California law requires AT&T to navigate a gauntlet of sequential state proceedings, each with its own timeline, each requiring separate CPUC approval, and none of which the CPUC is obligated to resolve promptly, favorably, or even on the merits. All of these barriers constitute "additional conditions on the Commission's authorization of discontinuance" that the *Network*

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<sup>196</sup> See Cal. Pub. Util. Code § 1701.5 (setting the deadline and permitting extensions).

<sup>197</sup> See *supra* note 60.

<sup>198</sup> See *General Order 96-B* (Telecommunications Industry Rule 8.5).

<sup>199</sup> Cal. Pub. Utils. Comm'n, *Mass Migration Guidelines* (2010), [https://docs.cpuc.ca.gov/word\\_pdf/FINAL\\_DECISION/121590.pdf](https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/121590.pdf). Further, as these guidelines contemplate discontinuance by "competitive local exchange carriers," it is possible the CPUC would require different and more burdensome requirements for discontinuance of POTS by AT&T as an incumbent local exchange carrier.

*Modernization Order* recognizes are inconsistent with section 214.<sup>200</sup> Accordingly, the Commission should declare these and any other requirements preempted to the extent they condition, delay, or otherwise impede AT&T's ability to proceed with discontinuance upon receipt of the Commission's approval.

\* \* \*

There is no justifiable basis for California to retain its COLR rules and other regulatory barriers to network modernization. They force AT&T to keep in place a largely empty copper network that is less reliable, less energy-efficient, and more expensive than modern networks. None of AT&T's many rivals in California must shoulder this burden. Compelling AT&T alone to offer POTS not only tilts the competitive playing field, but is no longer necessary to ensure that Californians have universal access to voice service. Consumers have overwhelmingly abandoned legacy voice services in favor of reliable, cost-effective, superior alternatives provided over modern IP-based networks. Californians can now choose from among numerous carriers providing competitive voice offerings over cable, fiber, fixed wireless, and satellite technologies.<sup>201</sup> None of AT&T's existing POTS customers will be left behind as a result of granting this Petition, as every Affected Customer in the Affected Service Area has access to an adequate replacement for POTS. On the other side of the ledger, granting this Petition will fulfill the promise the Commission made in the *Network Modernization Order* to cut through the "red tape" that prevents "invest[ment] in the modern infrastructure that Americans want and deserve."<sup>202</sup>

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<sup>200</sup> *Network Modernization Order* ¶ 112.

<sup>201</sup> *See id.* ¶ 9.

<sup>202</sup> *Id.* ¶ 1.

## CONCLUSION

For the foregoing reasons, the Commission should declare that its approval of AT&T's Discontinuance Applications preempts the CPUC's COLR rules, tariffing requirements, General Orders, Mass Migration Guidelines, LifeLine participation rules, and any other state requirements to the extent they impede AT&T from fully discontinuing POTS to existing customers in the Affected Service Area, such that AT&T may proceed with discontinuance without securing *any* additional state authorization.

Respectfully Submitted,

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May 20, 2026

# **Exhibit 1**

## DECLARATION OF DR. HANY FAHMY

I, Hany Fahmy, declare as follows:

### I. QUALIFICATIONS AND BACKGROUND

1. I am an Assistant Vice President of AT&T Services, Inc. in the areas of Technology Policy and Regulatory. I have worked for AT&T since 1998, including 17 years in AT&T Bell Labs. I have extensive technical experience in wireless and wireline telecommunications and data networks, including all aspects of service, technology, and regulatory development. Prior to joining AT&T, I was a Research Staff Member with Racal DataComm USA, a manufacturer of modems, data communications, and networking equipment. I hold a Ph.D. in Electric and Computer Engineering from the University of Miami and an M.B.A. in Data Analytics from Georgia State University.

### II. PURPOSE AND SUMMARY

2. The purpose of this declaration is to describe the architecture of the converged network platform that AT&T California uses to provides plain old telephone service (“POTS”) and show that the facilities and elements in the network that AT&T California uses to provide FCC-regulated voice service are the same facilities and elements that AT&T California uses to provide state-regulated voice service.<sup>1</sup> The declaration demonstrates that AT&T California cannot decommission the FCC-regulated facilities on its POTS network without also ending its provision of state-regulated service. As such, unless AT&T California can discontinue fully its POTS network, AT&T California will not free up resources that can be used to support innovation and

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<sup>1</sup> Pacific Bell Telephone Company d/b/a AT&T California owns and operates AT&T’s POTS network in California.

investment in modern, IP-based broadband networks that support the services that consumers now demand.

### **III. POTS NETWORK ARCHITECTURE**

3. The network that AT&T California uses to provide POTS today is similar to the one its predecessors used in the days of Alexander Graham Bell. A pair of copper wires runs from the customer's premises to a switch – this connection is sometimes called the “local loop,” as the pair of copper wires form a loop (also known as a “circuit”) between the customer's premises and the switch. The customer speaks into the telephone, which converts the customer's voice into an analog electrical current, which mirrors the frequency and amplitude of the customer's voice. One of the copper wires transmits that analog electric current from the customer's premises to the switch, and the other copper wire transmits the analog electric current from the switch to the customer's premises. To provide service, the customer's line is always powered. When the customer wants to make a telephone call, the switch creates a connection between the customer's pair of copper wires and the pair of copper wires of the person that the customer is calling. The result is a continuous circuit between the two parties to the telephone call.

4. To be sure, there have been some notable updates to the POTS network over the last century and a half. For example, switching was originally done manually, with a switchboard operator connecting calls with a pair of phone plugs. Today, by contrast, switching is done automatically. Most significantly, however, is the ability to make calls between customers on different switches, and the use of a network architecture with multiple switches to accommodate this.

5. In today's POTS network, the first switch after a customer's premises is a “Class-5 switch” or a “local circuit switch.” If the customer and the person the customer is calling are on

the same Class-5 switch, then the Class-5 switch connects the two. If not, the Class-5 switch sends the call over lines called “trunks” to a “Class-4 switch” or the “Tandem switch.” If the call is going to a nearby Class-5 switch (more specifically, if the call stays within a “Local Access and Transport Area” or “LATA”), the Class-4 switch will route the call there. If the call is going farther afield (more specifically, outside the LATA), the Class-4 switch will hand the call over to the switch of the long distance telephone company at the long distance telephone company’s “point-of-presence” or “POP,” which is typically located adjacent to or near the Class-4 switch.<sup>2</sup> The long distance telephone company carries the call from its POP at the Class-4 switch of the person calling to its POP at the Class-4 switch of the person being called. The local telephone company of the person being called then carries the call from the Class-4 switch to the Class-5 switch and from the Class-5 switch on to the person’s premises over the local loop.

#### **IV. THE LEGACY SERVICES PROVIDED OVER THE POTS NETWORK**

6. AT&T California provides both “exchange access” and “telephone exchange service.” The same POTS facilities (i.e., the local loop, the Class-4 and Class-5 switches, the trunks that connect the switches, and the supporting systems) are jointly used to provide both services. There are not separate POTS facilities for exchange access and telephone exchange service.

7. Exchange access provides customers with the ability to make and receive long distance (interLATA) calls, which are frequently interstate. Exchange access is the connection between the customer’s premises and the long distance telephone company’s POP over the local loop via the Class-5 switch and the Class-4 switch. Without this connection, the customer would have no ability to place or receive long distance telephone calls, as long distance telephone

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<sup>2</sup> While historically the long distance and local telephone companies may have been separate, as noted below, the marketplace has shifted to “all distance” service offered by a single company.

companies do not have networks that run all the way to customers' premises. When the customer places a long distance call, AT&T California carries the call from the customer's premises to the Class-5 switch over the local loop, then on to the Class-4 switch, where AT&T California hands over the call to the long distance carrier's switch at the long distance carrier's POP. The same is true in reverse when a customer of AT&T California receives a long distance call – AT&T California picks up the call at the long distance carrier's switch at the long-distance carrier's POP, where it goes to the Class-4 switch, then the Class-5 switch, and on to the customer's premises via the local loop. When a long distance call crosses state lines, the exchange access that provides the connection between the long distance carrier's POP and the customer's premises is treated as an interstate service subject to FCC regulation.<sup>3</sup>

8. Telephone exchange service is a local voice service within an exchange or connected system of exchanges (intraLATA) and typically wholly intrastate. The customer places a call, which travels over the local loop to the Class-5 switch. If the called party is on the same Class-5 switch, the call is routed directly by the same Class-5 switch to the called party. If not, the call goes to the Class-4 switch, which then sends the call to the Class-5 switch of the called party, and then on from there over the local loop to the called party. These facilities and elements that provide telephone exchange service are the same facilities and elements that provide exchange access. Historically, telephone exchange service has been considered an intrastate service subject to state regulation, unlike exchange access, which is subject to FCC regulation when the associated long distance call is interstate.<sup>4</sup>

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<sup>3</sup> The foregoing describes the historical paradigm. AT&T's voice competitors today offer "all-distance" services using IP-based networks that merge the functions of historically distinct interstate and intrastate services/networks.

<sup>4</sup> I understand that the California Public Utilities Commission requires AT&T California to offer "Residential Basic Telephone Service," which is also called "basic service." I also understand that telephone exchange service is one of the elements of basic service.

9. While AT&T California's POTS network provides two services that may have been distinct for cost recovery and ratemaking purposes (exchange access and telephone exchange service), the facilities and elements are the same (the local loop, the switches, the connecting trunks, and the supporting systems). There are not separate local loops, separate switches, separate connecting trunks, or separate supporting systems for exchange access and telephone exchange service. The same POTS facilities are used for both exchange access and telephone exchange service, regardless of whether someone is calling the person next door or a person across the country or even around the world.

**V. INSEPARABILITY OF JURISDICTIONALLY-MIXED POTS SERVICES FOR NETWORK RETIREMENT**

10. The POTS network provides a "jurisdictionally mixed service." In other words, some of the services that the POTS network provides (e.g., interstate exchange access) are subject to federal regulation, and some of the services that the POTS network provides (e.g., local, and typically intrastate, telephone exchange services) are generally subject to state regulation.

I understand that there are complicated rules about how much of the costs can be recovered from the different services. Similarly, I understand that the FCC has regulatory authority over interstate exchange access, while state commissions have regulatory authority over some aspects of telephone exchange service to the extent the end points of a call are in the same state.

11. While the federal government and the state governments historically shared jurisdiction over the POTS network for certain purposes such as some types of retail rate regulation, this is not possible for purposes of network retirement. That shared jurisdiction for rate regulation could be achieved with accounting and other economic conventions, but those types of conceptual approaches do not apply to actual operation of loops, switches, connecting trunks, and supporting systems that are jointly used for all types of calls. Of course, most states and the

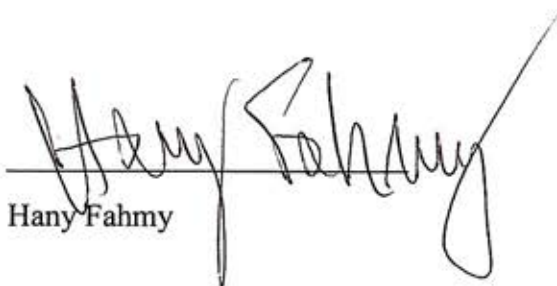
Commission have abandoned rate regulation in most circumstances, given the competitive marketplace.

12. Either the POTS network remains up and running, or it does not. AT&T California cannot retire a portion of the local loop, or a portion of a switch, or a portion of a connecting trunk, or a portion of the supporting systems. AT&T California cannot cease offering long distance service and decommission its facilities provisioning long distance service without also decommissioning its facilities that provide intrastate service – these facilities are one and the same. Thus, either AT&T California continues to spend around \$1 billion a year keeping its POTS network in California running or AT&T California does not. There is no option for a partial retirement of just the interstate long-distance part of the POTS network. And if AT&T California cannot retire its loops, switches, connecting trunks, and supporting systems, AT&T California will not be able to achieve savings that can be used for the modern, IP-based broadband networks and services that consumers prefer.

13. In this regard, as noted, AT&T California’s competitors typically offer “all distance” services. Consumers value these services because they allow the consumer to make domestic calls of any distance without incurring additional charges. Thus, even if AT&T California sought to cease providing only the interstate component of its POTS while leaving in place telephone exchange service, consumers would view the resulting “intrastate-only” version of POTS as an even more inferior service than it is today. Unlike subscribers to all of the available voice services using modern networks, POTS subscribers in California would have no ability to make or receive calls that cross the state’s border. This would only exacerbate the economic impact of having to maintain the POTS network.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May

5, 2026.



A handwritten signature in black ink, appearing to read "Hany Fahmy", is written over a horizontal line. The signature is stylized and cursive.

Hany Fahmy

**CERTIFICATE OF SERVICE**

I, Martha Flaherty, certify that on May 20, 2026, will cause a copy of the foregoing  
Petition by U.S. Mail postage prepaid to be served on the addresses below.

/s/ Martha Flaherty  
Martha Flaherty

:

President John Reynolds

Commissioner Darcie L. Houck  
Commissioner Karen Douglas  
Commissioner Matthew Baker  
Commissioner Christine Harada

Christine Jun Hammond  
General Counsel – Legal Division

Christofer C. Nolan  
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# **COMPLAINT**

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16 IN THE UNITED STATES DISTRICT COURT  
 17 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

18 PACIFIC BELL TELEPHONE  
 19 COMPANY d/b/a AT&T  
 20 CALIFORNIA,

20 Plaintiff,

21 v.

22 JOHN REYNOLDS, in his official  
 23 capacity as President of the California  
 24 Public Utilities Commission; DARCI  
 25 E. HOUK, KAREN DOUGLAS,  
 26 MATTHEW BAKER, and CHRISTINE  
 27 HARADA, in their official capacities as  
 28 Commissioners of the California Public  
 Utilities Commission; ROB BONTA, in  
 his official capacity as Attorney General  
 of the State of California,

Defendants.

Case No. '26CV3148 LL JAC

COMPLAINT  
 FOR DECLARATORY AND  
 INJUNCTIVE RELIEF

1 Plaintiff Pacific Bell Telephone Company d/b/a AT&T California (AT&T), by  
2 and through its undersigned counsel, brings this complaint for declaratory and  
3 injunctive relief against Defendant John Reynolds in his official capacity as President  
4 of the California Public Utilities Commission (CPUC); Defendants Darcie L. Houk,  
5 Karen Douglas, Matthew Baker, and Christine Harada, in their official capacities as  
6 Commissioners of the CPUC; and Rob Bonta in his official capacity as Attorney  
7 General of the State of California. In support of the requested relief, AT&T alleges  
8 as follows:

9 **NATURE OF THE ACTION**

10 1. California requires AT&T to spend \$1 billion each year to maintain a  
11 century-old telephone network that almost no one uses. The copper wires that once  
12 served *every* home now serve just three percent of households in AT&T’s California  
13 territory, with consumers fleeing every day to modern broadband services that are  
14 more affordable, reliable, and energy efficient. The barely used copper network is  
15 an easy mark for criminals—California has already suffered about 2,000 outages  
16 from copper thefts this year—and drains the power grid of over 100 million kilowatt-  
17 hours each year.

18 2. The Federal Communications Commission has stepped in to break the  
19 regulatory gridlock. It granted AT&T permission to stop signing up new customers  
20 for its “plain old telephone service,” or POTS—a necessary step toward retiring its  
21 outdated copper network and freeing up capital to expand and improve its cutting-  
22 edge fiber and wireless services. That transition will leave no customer behind  
23 because of the range of modern wireline and wireless services offered by AT&T and  
24 its competitors. But California still refuses to let go. Its monopoly-era “Carrier of  
25 Last Resort” (COLR) rules require AT&T to continue offering POTS even after the  
26 FCC has authorized the service to be phased out. Under basic preemption principles,  
27 those COLR rules cannot stand.

28

1           3.     In 1876, Alexander Graham Bell uttered nine now-famous words:  
2     “Mr. Watson, come here; I want to see you.” Over the decades that followed, the  
3     Bell Telephone company—a predecessor to AT&T—crisscrossed the country with  
4     copper wires running down virtually every street, fueling the growth of a young  
5     nation and allowing millions of Americans to make phone calls.

6           4.     The telecommunications industry has come a long way since Bell’s first  
7     phone call. AT&T and its many competitors now offer a multitude of modern  
8     communications services to customers nationwide.<sup>1</sup> AT&T has invested hundreds  
9     of billions of dollars to deploy fiber and 5G wireless networks, and it plans to  
10    accelerate that deployment over the next five years. But in California, the old copper  
11    lines are still there, frozen in time by regulations that compel AT&T to maintain its  
12    antiquated “plain old telephone service.” POTS was the standard form of telephone  
13    service in the nineteenth century and much of the twentieth. AT&T still provides it  
14    today over an aging, fragile, and expensive copper network.

15          5.     Although the copper wires in AT&T’s legacy network are stuck in the  
16    past, consumers are not. Nearly 80% of adults nationwide now rely solely on wireless  
17    phone service. And of those who still have a wired home phone, almost all use a  
18    modern, Internet Protocol (IP)-based phone service provided over their broadband  
19    connection.

20          6.     For good reason. The transition from POTS to modern fiber and  
21    wireless services is better for Californians and for the environment. After all:

22          7.     *Copper is less reliable.* In emergencies, wireless networks keep people  
23    connected on the go. When disasters like wildfires strike, fiber and wireless services  
24    can be restored far faster than copper-based POTS. And criminals target copper lines  
25

26  
27           <sup>1</sup> As defined above, “AT&T” refers to AT&T California. Where context  
28     indicates nationwide scope, however, “AT&T” may refer to AT&T California  
   together with its affiliates, which generally operate nationwide under the name of  
   AT&T Services, Inc.

1 for their raw-material value, leaving POTS customers without service. All too often,  
2 criminals return to steal the replacement lines as soon as service is restored.

3 8. *Copper is worse for the environment.* Fiber delivers better performance  
4 with significantly lower energy use. Transitioning from copper will save an  
5 estimated 300 million kilowatt-hours annually by 2030—the equivalent of  
6 eliminating emissions from 17 million gallons of gasoline.

7 9. *Copper is more expensive.* AT&T spends roughly \$1 billion a year in  
8 California to maintain and repair hundreds of thousands of miles of largely obsolete  
9 copper lines, ancient “circuit” switches, and other POTS facilities. Even finding  
10 replacement parts for decades-old equipment is a nearly insurmountable challenge.  
11 All that spending diverts finite resources from the modern technologies that  
12 consumers actually want—fiber and wireless.

13 10. Consumers and markets have moved on from copper-based POTS. But  
14 because of the telecom industry’s unique regulatory history, AT&T needs  
15 government permission before it can follow suit. Regulations from the telephone-  
16 monopoly era require government approvals before carriers can withdraw basic  
17 services like POTS. The federal government and virtually all States where AT&T  
18 historically offered POTS have now eliminated outdated regulatory obstacles,  
19 allowing AT&T to begin powering down its POTS network and increasing its  
20 investments in modern communication technologies.

21 11. California stands alone in resisting this progress. Unlike its peer States,  
22 California maintains procedural and substantive roadblocks that require AT&T to  
23 continue providing POTS to both existing and new customers regardless of available  
24 alternatives. In particular, California’s enduring COLR regime prevents AT&T from  
25 reducing service unless it receives permission from the California Public Utilities  
26 Commission (CPUC). CPUC Decision 96-10-066, Appx. B at 11. The process of  
27 seeking and receiving approval is onerous. It is also fruitless: California has made  
28 clear that it will not allow AT&T to relinquish its COLR obligations unless another

1 carrier first agrees to take AT&T’s place. *See, e.g.*, CPUC Decision 24-06-024 at 21-  
2 25; CPUC Gen. Order No. 96-B, Telecommunications Industry Rule 7.4(1); CPUC  
3 Decision 12-12-038 at 56, Appx. A at 6. Unsurprisingly, no other carrier is willing  
4 to assume AT&T’s unique, antiquated obligations.

5 12. AT&T is now stuck with conflicting rules about what it can do with its  
6 outdated copper lines and the POTS it provides over them—and a state agency that  
7 will not budge. The FCC has made a blanket determination that AT&T and other  
8 carriers may stop accepting new customers for POTS (a reduction in service the FCC  
9 calls “grandfathering”). This is an essential step toward eventually discontinuing  
10 service and retiring the underlying copper network, freeing up resources to construct  
11 modern networks that consumers overwhelmingly prefer. But California regulations  
12 on the books still require AT&T to continue offering POTS throughout its service  
13 territory. These contradictory regimes cannot be reconciled; one must go.

14 13. Fortunately, Congress anticipated just such a clash and, in the  
15 Communications Act of 1934, decided that the FCC wins. With respect to services  
16 like POTS with an interstate component, Congress directed the FCC to authorize any  
17 “discontinuance, reduction, or impairment of service” to a community. 47 U.S.C.  
18 § 214(a), (c); *see id.* § 152(a). Before granting authorization, the FCC must  
19 determine that “neither the present nor future public convenience and necessity will  
20 be adversely affected” by the change. *Id.* § 214(a). The FCC’s determination then  
21 controls. Once the FCC authorizes a reduction or discontinuance in service, a carrier  
22 can act “*without securing approval other than such certificate*” from the FCC. *Id.*  
23 § 214(c) (emphasis added).

24 14. In March, the FCC adopted the Network Modernization Order (NMO)  
25 and expressly addressed its preemptive effect. Report and Order, WC Docket No.  
26 25-209 (Mar. 26, 2026); *see* Order, WC Docket No. 17-84 (Mar. 20, 2025) (Waiver  
27 Order). In doing so, the FCC took decisive steps to “cut[] through the red tape that  
28 has both required providers to keep aging copper wires in place and effectively

1 prevented them from investing in the modern infrastructure that Americans want and  
2 deserve.” NMO ¶ 1. The NMO aims to free up resources to facilitate “the transition  
3 to next-generation networks and services,” NMO ¶ 114; to “allow providers to invest  
4 more resources toward modernizing their networks,” NMO ¶ 23; and to clear away  
5 “state and local requirements” that “needlessly constrain the deployment of modern,  
6 next-generation IP-based networks,” NMO ¶ 7. To achieve those goals, the FCC  
7 granted all carriers, including AT&T, “blanket section 214(a) authority” to  
8 “grandfather” legacy voice services like POTS without the need for further filings or  
9 regulatory approval. NMO ¶ 6.

10 15. Under the Communications Act, the FCC’s authorization is all AT&T  
11 needs to grandfather POTS in California. But California’s conflicting state laws still  
12 stand in the way, and California has shown no signs of backing down. So judicial  
13 intervention is required to declare that AT&T may exercise the grandfathering  
14 authority granted by the FCC, and to stop state officials from punishing AT&T for  
15 acting on that authority.

16 16. The Communications Act preempts California’s COLR requirements,  
17 as applied to AT&T’s grandfathering of POTS in California, under any of three  
18 established strands of preemption doctrine.

19 17. *First*, express preemption. Section 214 of the Communications Act  
20 expressly preempts state requirements that impinge on modifications to interstate or  
21 jurisdictionally mixed services where the FCC has authorized “discontinuance,  
22 reduction, or impairment of service.” 47 U.S.C. § 214(c). Congress provided that,  
23 after the FCC has authorized a discontinuance, reduction, or impairment, a carrier  
24 may perform the authorized activity “without securing [other] approval.” *Ibid*. The  
25 FCC has “grant[ed] blanket section 214(a) authority for carriers to grandfather legacy  
26 voice services.” NMO ¶ 6; *see id.* ¶¶ 60-66. In direct contravention of Section  
27 214(c), California requires AT&T to seek additional regulatory “approval[s]” before  
28 grandfathering POTS. That should be the end of the matter.

1           18. *Second*, impossibility preemption. California and the CPUC cannot  
2 separate and regulate any nominally intrastate component of POTS. In Section 2 of  
3 the Communications Act, Congress attempted “to divide the world of domestic  
4 telephone service neatly into two hemispheres—one comprised of interstate service,  
5 over which the FCC would have plenary authority, and the other made up of intrastate  
6 service, over which the States would retain exclusive jurisdiction.” *Louisiana Pub.*  
7 *Serv. Comm’n v. FCC*, 476 U.S. 355, 360 (1986); *see* 47 U.S.C. § 152. However,  
8 “the realities of technology and economics belie such a clean parceling of  
9 responsibility.” *Louisiana*, 476 U.S. at 360. Courts have thus recognized an  
10 “impossibility exception” to the division of authority in Section 2, under which an  
11 intrastate regulation is preempted if “(1) it is not possible to separate the interstate  
12 and intrastate aspects of the service, and (2) federal regulation is necessary to further  
13 a valid federal regulatory objective, i.e., state regulation would conflict with federal  
14 regulatory policies.” *Minnesota Pub. Utilities Comm’n v. FCC*, 483 F.3d 570, 578  
15 (8th Cir. 2007); *see California v. FCC*, 75 F.3d 1350, 1359 (9th Cir. 1996)  
16 (Impossibility preemption applies where it is “not possible to separate the interstate  
17 and intrastate components of the asserted FCC regulation.”).

18           19. Both criteria are met here. Modern voice services are provided over  
19 integrated, all-distance networks, and the concept of “local” telephone service has  
20 faded into irrelevance. When it comes to the physical maintenance of a copper-wire  
21 POTS system, interstate and intrastate telephone services are inseparable: the  
22 facilities and wires used to provide each service are the same, making it impossible  
23 to retire the interstate network while maintaining the intrastate one. Requiring either  
24 one would impede the FCC’s regulatory objective of shifting investment dollars to  
25 modern services.

26           20. *Third*, conflict preemption. CPUC rules blocking AT&T from  
27 grandfathering POTS cannot stand because they would effectively force AT&T to  
28 extend a service to new customers after the FCC has said otherwise, nullifying the

1 FCC’s exclusive Section 214 authority. Those rules would also undermine the FCC’s  
2 explicit objective of “spur[ring] network modernization.” NMO ¶ 2. And they would  
3 allow California to assume a different role than the one Section 214 specifically  
4 prescribes for States.

5 21. Under any one of these three preemption theories, California cannot  
6 apply its COLR and related regulations to force AT&T to continue to offer copper-  
7 based POTS to new customers. As the FCC explained in the NMO, “where the [FCC]  
8 has exercised its section 214(a) authority over interstate and/or jurisdictionally mixed  
9 service to allow a carrier to grandfather legacy voice service . . . federal law preempts  
10 state requirements that operate to require the carrier to continue offering that  
11 interstate or jurisdictionally mixed grandfathered service to new customers.” NMO  
12 ¶ 114 n.415. That is precisely how California law operates here.

13 22. AT&T thus seeks (i) a declaration that any California law or regulation  
14 that interferes with AT&T’s ability to grandfather POTS, as authorized by the FCC  
15 in the NMO, is unlawful; and (ii) injunctive relief to preclude California officials  
16 from applying those laws or regulations to prevent or slow AT&T from  
17 grandfathering POTS.

18 **PARTIES**

19 23. Plaintiff Pacific Bell Telephone Company d/b/a AT&T California is a  
20 California corporation with a principal address of 430 Bush Street, San Francisco,  
21 California 94108. AT&T has offices throughout California, including a corporate  
22 office in San Diego, California. AT&T provides customers across the State with a  
23 variety of telecommunications services, including POTS. Thousands of customers  
24 who subscribe to POTS live in the Southern District of California and will receive  
25 grandfathering notices.

26 24. Defendant John Reynolds is the President of the CPUC. Defendants  
27 Darcie L. Houk, Karen Douglas, Matthew Baker, and Christine Harada are  
28 commissioners of the CPUC. The President and Commissioners of the CPUC are

1 the officials charged with enforcement of California’s COLR requirements. The  
2 President and Commissioners’ offices are located at 505 Van Ness Avenue, San  
3 Francisco, California 94102.

4 25. Defendant Rob Bonta is the Attorney General of the State of California.  
5 The Attorney General—and the state and local entities acting under him or in concert  
6 with him (including district attorneys)—are also charged with enforcement of  
7 California’s COLR requirements. The Attorney General maintains offices  
8 throughout the State—including 1300 I Street, Sacramento, California 95814, and  
9 600 West Broadway Street, Suite 1800, San Diego, California 92101.

#### 10 **JURISDICTION AND VENUE**

11 26. This action arises under the Communications Act of 1934, as amended  
12 by the Telecommunications Act of 1996; the FCC’s implementing Waiver Order and  
13 NMO; and the Supremacy Clause of the United States Constitution. AT&T seeks  
14 declaratory and injunctive relief against the CPUC’s COLR requirements, which  
15 require AT&T to offer POTS to all new customers, because the Communications Act  
16 preempts those requirements. “A plaintiff who seeks injunctive relief from state  
17 regulation, on the ground that such regulation is pre-empted by a federal statute  
18 which, by virtue of the Supremacy Clause of the Constitution, must prevail, . . .  
19 presents a federal question which the federal courts have jurisdiction under 28 U.S.C.  
20 § 1331 to resolve.” *Shaw v. Delta Air Lines, Inc.*, 463 U.S. 85, 96 n.14 (1983). This  
21 Court accordingly has subject-matter jurisdiction pursuant to 28 U.S.C. § 1331.

22 27. This Court has personal jurisdiction over defendants, who are state  
23 officers, because they are citizens of California, maintain their principal offices in  
24 California, and threaten the challenged actions in California.

25 28. Venue in this District is proper pursuant to 28 U.S.C. § 1391(b)(2). A  
26 substantial part of the events giving rise to this action—including the grandfathering  
27 of POTS for a substantial number of District residents—has occurred and will occur  
28 in this District.

**FACTS**

1  
2 29. For over a century, POTS served as the standard form of telephone  
3 service for many Americans. But as technology has evolved, rising costs and falling  
4 demand have reshaped the market. Today, the vast majority of AT&T’s California  
5 customers have abandoned POTS in favor of wireless and VoIP services. Just 3% of  
6 households in AT&T’s California territory subscribe to POTS, and those numbers  
7 continue to drop. Even as customers migrate to better and faster services, AT&T  
8 continues to spend huge sums to maintain the sprawling copper-wire network  
9 necessary to serve the dwindling number of POTS subscribers.

10 30. The FCC has recognized the importance of facilitating carriers’  
11 transition to modern technologies, which will allow more homes across the country—  
12 including in California—to access state-of-the-art, high-speed communications. The  
13 FCC understands that every dollar spent on maintenance of an outdated network is a  
14 dollar that cannot be used on innovation and driving America forward.

15 31. The CPUC stands alone among the States in AT&T’s 21-State footprint  
16 by erecting barriers to this technological transition. The CPUC’s regulatory barriers  
17 have made it impossible for AT&T to take advantage of the FCC’s decision to allow  
18 carriers to grandfather POTS in order to expedite the rollout of newer technology in  
19 its place.

20 **A. Evolution Of The Telecommunications Market**

21 32. The POTS network dates to the advent of the Bell System. It consists  
22 of over a million miles of metallic cables and thousands of time-division-  
23 multiplexing (TDM) circuit switches, which allow multiple simultaneous calls to  
24 occur along the same piece of copper by slicing up each call and assigning it a  
25 repeating interval of time—fractions of every second—during which it may occupy  
26 the line. AT&T’s POTS network was sized to serve virtually every one of the  
27 millions of homes and businesses in its footprint.

1           33. While once state-of-the-art, the legacy POTS network is now a dinosaur.  
2 It consumes a vast amount of power, is increasingly expensive to maintain, and  
3 cannot support broadband data transport. The cost of maintaining POTS networks  
4 has skyrocketed in recent years. AT&T spends approximately \$1 billion each year  
5 in California alone to maintain the legacy copper network, due in part to rising costs  
6 of raw materials such as copper and in part to the expertise required to repair and  
7 maintain copper phone lines. Given the rising raw-material costs, AT&T must also  
8 battle increasing thefts of copper cables, which cause significant service outages. On  
9 top of that, replacement parts are increasingly difficult to procure because  
10 manufacturers have discontinued obsolete TDM equipment.

11           34. IP-based networks are far more reliable and efficient, and they support  
12 the ever-increasing broadband speeds—hundreds of thousands of times faster than  
13 copper networks—that modern consumers demand.

14           35. As a result, the rising costs of POTS are spread among fewer and fewer  
15 consumers each year. POTS is incapable of delivering the speed, convenience, and  
16 efficiency that consumers expect from modern networks. So as digital phone options  
17 have proliferated, customer demand for POTS has fallen. Today, wireless services  
18 account for roughly 83% of voice phone lines nationwide, with Voice over Internet  
19 Protocol, or VoIP, provided over modern broadband networks capturing most of the  
20 remainder. *Internet Access Services: Status as of June 30, 2025*, Fed. Commc’n  
21 Comm’n, Office of Econ. & Analytics, at 2 fig. 1 (May 8, 2026),  
22 <https://docs.fcc.gov/public/attachments/DOC-421558A1.pdf>. Consumers have  
23 made their preferences clear: they have rapidly abandoned POTS in favor of all-  
24 distance services provided over fiber and wireless networks.

25           36. In POTS’s heyday, customers generally used different providers for  
26 local phone service and long-distance service. The local carrier would provide local  
27 phone service and access to an interexchange (*i.e.*, long-distance) carrier. The local  
28 carrier would charge interexchange-access charges for originating or terminating

1 long-distance calls. The long-distance carrier would also charge the customer for  
2 long-distance service. The FCC regulated exchange access and interstate long-  
3 distance service, while States regulated purely in-state local calls. Importantly, both  
4 services relied on the same infrastructure of copper wires and exchanges. But  
5 through subscriber agreements and other arrangements, local and long-distance  
6 carriers could parcel out the charges associated with customer access to each service.

7 37. This model effectively disappeared when legacy local carriers and their  
8 competitors gained the ability to offer long-distance calls and shifted to offering “all-  
9 distance” service. Today, nearly every domestic telecommunications carrier offers  
10 all-distance service, and the vast majority of customers do not maintain separate  
11 subscriptions to a local carrier and a long-distance carrier. Purely local telecom  
12 service is a relic of the past, just like POTS itself.

13 **B. AT&T’s Investment In The Future**

14 38. AT&T is transitioning from legacy copper to modern IP-based networks  
15 nationwide. AT&T has already invested heavily to deploy the largest fiber network  
16 in the country—and plans to expand its fiber footprint to 60 million locations by  
17 2030. AT&T has also built the nation’s largest mobile broadband network. AT&T’s  
18 5G network now covers over 320 million people in over 27,700 cities and towns  
19 using low-band spectrum, while its faster mid-band “5G+” service covers over 300  
20 million people. To mark the 150th anniversary of the first telephone call, AT&T has  
21 committed to invest a further \$250 billion in telecommunications infrastructure over  
22 the next five years. This investment will accelerate the deployment of fiber, mobile,  
23 and home internet service across the country.

24 39. This investment is a competitive imperative. AT&T faces competition  
25 from a host of providers that have deployed modern communications technologies:  
26 wireless and wireline, mobile and fixed, terrestrial and satellite, facilities-based and  
27 over-the-top VoIP. This is especially true in California, where nearly all locations in  
28 AT&T’s California service territory can receive broadband service from multiple

1 providers. Of the over seven million locations, approximately 99.9% of broadband-  
2 serviceable locations have two or more facilities-based fixed broadband or mobile  
3 voice providers, and about 99.7% have three or more providers.

4 40. AT&T cannot invest its full resources to modernize its network while  
5 continuing to devote huge sums of money to keeping POTS alive. Because it makes  
6 no sense to maintain a ubiquitous, costly legacy network that consumers have largely  
7 abandoned, AT&T has sought to transition customers to IP-based services across its  
8 nationwide footprint.

9 41. As a critical part of that long-planned and ongoing transition, AT&T has  
10 grandfathered or is grandfathering POTS throughout its territory nationwide.  
11 Grandfathering allows it to reduce the resources allocated to an outmoded service by  
12 eliminating its obligation to offer that service to new customers. Grandfathering is  
13 also a necessary step to eventual discontinuance of the service. In particular, it  
14 improves the customer experience by minimizing disruption: AT&T can avoid  
15 taking on new POTS subscribers shortly before discontinuing the service.

16 42. Grandfathering does not affect existing POTS customers, all of whom  
17 will continue to receive their existing services for now.<sup>2</sup> Grandfathering simply  
18 allows AT&T to restrict POTS to its existing customers. New customers can then  
19 select from the available service offerings throughout AT&T's territory. Those  
20 include AT&T Phone – Advanced, a VoIP service that the FCC has repeatedly found  
21 to be an adequate replacement for POTS. AT&T Phone – Advanced lets customers  
22 use their traditional landline phones but submits calls in an internet-friendly format.  
23 Customers also have access to AT&T's mobile wireless service, as well as mobile  
24 and broadband offerings from a variety of AT&T's competitors.

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25  
26 <sup>2</sup> AT&T has initiated separate proceedings with the FCC to seek permission to  
27 discontinue POTS service following at least a one-year notice period. *See* AT&T  
28 Section 214 Application for Discontinuance of Residential Service (May 20, 2026);  
AT&T Section 214 Application for Discontinuance of Business Service (May 20,  
2026). If the FCC approves AT&T's plan for discontinuance, AT&T will begin to  
transition existing POTS customers to an approved alternative service.

1 43. When a carrier grandfathers a service, it notifies affected individuals—  
2 those in the carrier’s service territory who currently receive the service—that it will  
3 no longer offer that service to new customers. Under the NMO, this notification must  
4 also include “(1) a ‘no earlier than’ date, by which it intends to seek to permanently  
5 discontinue the service, and (2) a statement regarding alternative services available  
6 in the affected service area.” NMO ¶ 62.

7 **C. California’s Impediments To Change**

8 44. State and federal restrictions on reducing or discontinuing POTS have  
9 long deterred carriers from transitioning to cheaper and more reliable wireless or  
10 fiber-based networks. As the FCC has observed, the transition to modern networks  
11 has “been hindered by the need for carriers to divert precious resources to the  
12 maintenance of aging and deteriorating legacy networks that deliver outdated  
13 services to an ever-decreasing number of subscribers.” NMO ¶ 2; *see id.* ¶ 13  
14 (“Excessive regulatory burdens prevent carriers from investing in and deploying  
15 next-generation networks that are needed to support modern communication  
16 services.”).

17 45. Over the last decade, the FCC and various States have sought to reduce  
18 the regulatory barriers preventing network modernization. At the state level, most  
19 States have abandoned COLR regulations that compelled AT&T to provide POTS to  
20 customers, recognizing that these legacy requirements were no longer necessary. At  
21 the federal level, AT&T has successfully filed for Section 214 discontinuance in  
22 areas across its incumbent footprint, covering existing POTS customers who have  
23 access to better modern alternatives. The FCC has approved AT&T discontinuance  
24 applications covering 18 States based on such alternative services.

25 46. California, however, remains an outlier. The CPUC steadfastly  
26 maintains its COLR regime, which mandates that AT&T provide “basic” voice  
27 service (*i.e.*, POTS) to “all residential telephone customers” in its territory, “no matter  
28 where they live.” CPUC Decision 12-12-038 at 2, 56, Appx. C ¶ 5. It also requires

1 that this service be memorialized in a public tariff that requires CPUC approval to  
2 modify. *See* Cal. Pub. Util. Code §§ 489, 495, 495.7(b); CPUC Decision 96-10-066  
3 Appx. A. And it further requires AT&T to serve all business customers within its  
4 COLR territory. *See* CPUC Decision 12-12-038, Appx. C ¶ 5.

5 47. California’s basic-service obligation is almost unrecognizable in the  
6 modern marketplace. For example, it includes vestigial components like free “White  
7 Pages” telephone directories and free operator services. *See* CPUC Decision 12-12-  
8 038, Appx. A at 3-5. Basic service is a relic of an era in which “[a]ll that [was]  
9 needed from a telecommunications standpoint [was] a voice grade telephone line and  
10 touchtone dialing.” CPUC Decision 96-10-066 at 31.

11 48. AT&T has sought to work with the CPUC to mitigate the burdens that  
12 its COLR regime imposes on nationwide networks like AT&T’s, to no avail. Recent  
13 efforts have made clear that California will not promptly reduce regulatory obstacles  
14 to rolling out modern, high-speed communications technology.

15 49. In particular, in 2023 AT&T filed an application with the CPUC for  
16 targeted regulatory relief from the COLR regime enacted in 1996. AT&T  
17 demonstrated that, as in the other States in its footprint, consumers had  
18 overwhelmingly abandoned basic service. California POTS subscribers have  
19 abandoned the service in droves because multiple facilities-based providers—  
20 including Comcast, Charter, Cox, T-Mobile, Verizon, and AT&T Mobility—have  
21 deployed modern networks covering the vast majority of AT&T’s California service  
22 territory. Thus, whatever its initial merits, California’s COLR regime is no longer  
23 necessary to ensure that customers have an option for high-quality voice service.

24 50. The CPUC’s response to AT&T’s 2023 application was revealing.  
25 After 15 months of burdensome, contested proceedings, the CPUC ruled that AT&T  
26 had no right even to *seek* such relief, regardless of marketplace changes. CPUC  
27 Decision 24-06-024 at 21. According to the CPUC, its hands were tied: AT&T could  
28

1 cease to be a COLR only if another provider wanted to assume that obligation.  
2 Unsurprisingly, no other provider volunteered.

3 51. The CPUC appears committed to trapping AT&T and its customers in  
4 its outdated COLR regime. In response to AT&T’s 2023 application, the CPUC  
5 promised a rulemaking to consider COLR reform. But more than two years later, the  
6 CPUC has failed to adopt any COLR reform, and the CPUC staff’s working  
7 proposals would not grant any COLR relief for AT&T throughout most of its  
8 California service territory.

9 52. In short, California’s still-unreformed COLR regime forces AT&T to  
10 continue to spend massive resources on a legacy network that is largely unused—  
11 resources that AT&T could use to expand and enhance its modern networks. This in  
12 turn reduces the competitive pressure AT&T otherwise could place on its many rivals  
13 that do not share its unique COLR burden, which also reduces their incentives to  
14 deploy broadband. There are no apparent winners here, except for bureaucracy.

15 **D. The Communications Act And Network Modernization Order**

16 53. Over the last decade, the FCC has sought to eliminate regulatory barriers  
17 preventing the deployment of modern IP-based networks.

18 54. The Communications Act of 1934, as amended by the  
19 Telecommunications Act of 1996, governs the federal communications ecosystem.  
20 *See* 47 U.S.C. § 151 *et seq.* The Act applies to all interstate and foreign  
21 communication by wire or radio. *See id.* § 152(a). Section 214 requires FCC  
22 approval before a carrier may “discontinue, reduce, or impair service to a community,  
23 or part of a community.” *Id.* § 214(a). If the FCC determines that discontinuance,  
24 reduction, or impairment is in the public interest, it “shall have power to issue such  
25 certificate.” *Id.* § 214(c).

26 55. Where the FCC has authorized discontinuance, reduction, or  
27 impairment, “the carrier may, without securing approval other than such certificate,  
28

1 . . . proceed with the . . . discontinuance, reduction, or impairment of service covered  
2 thereby.” 47 U.S.C. § 214(c). No other authorization is required.

3 56. Section 214 provides a role for States in two relevant places. First, under  
4 Section 214(b), when the FCC receives a Section 214 application, it “shall cause  
5 notice thereof to be given to, and shall cause a copy of such application to be filed  
6 with, . . . the Governor of each State . . . in which such discontinuance, reduction, or  
7 impairment of service is proposed, with the right to those notified to be heard.” 47  
8 U.S.C. § 214(b). Second, under Section 214(c), “[a]ny . . . discontinuance, reduction,  
9 or impairment of service contrary to the provisions of this section may be enjoined  
10 by any court of competent jurisdiction at the suit of the United States, the  
11 Commission, the State commission, any State affected, or any party in interest.” *Id.*  
12 § 214(c).

13 57. The FCC’s latest policies regarding preemption and the grandfathering  
14 of legacy voice services are set forth in the NMO, which was unanimously adopted  
15 on a bipartisan basis on March 26, 2026. The NMO became effective on May 20,  
16 2026.<sup>3</sup>

17 58. In the NMO, the FCC revised its rules to “ease burdens associated with  
18 outdated services by granting blanket section 214(a) authority for carriers to  
19 grandfather legacy voice services.” NMO ¶ 6. It adopted these rules pursuant to the  
20 FCC’s statutory authority under Section 214, which “creates an exclusively federal  
21 discontinuance regime for interstate or jurisdictionally mixed telecommunications  
22 services.” NMO ¶ 108.

23 59. Specifically, the NMO revises the FCC’s “rules to grant blanket section  
24 214(a) authority for carriers to grandfather the following services to the extent they

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25 <sup>3</sup> Although most of the NMO’s provisions are effective, certain provisions  
26 remain subject to confirmation by the Office of Management and Budget as part of  
27 the Paperwork Reduction Act and are thus not yet effective. The difference is  
28 irrelevant here because the NMO codifies existing FCC policy on grandfathering  
legacy voice services, previously enacted on a temporary basis in the Waiver Order.  
This complaint generally refers to the NMO for convenience, but the same  
authorization appears in both.

1 come within the purview of section 214(a): (1) any legacy voice service; (2) any  
2 lower-speed data telecommunications service; and (3) any interconnected VoIP  
3 service provisioned over copper wire.” NMO ¶ 60. This authorization allows AT&T  
4 to stop providing legacy voice services like POTS to new customers.

5 60. With these reforms, the FCC seeks to “free up billions of dollars for new  
6 builds.” NMO ¶ 1. By eliminating regulatory burdens that “divert important  
7 resources to the maintenance of aging and deteriorating legacy networks that deliver  
8 outdated services to an ever-decreasing number of subscribers,” the NMO “allow[s]  
9 providers to invest more resources toward modernizing their networks so all  
10 consumers can access more advanced communications services.” NMO ¶ 2.

11 61. The NMO emphasizes the Communications Act’s instruction that where  
12 the FCC has authorized discontinuance, reduction, or impairment (including  
13 grandfathering), the carrier may, “without securing approval other than such  
14 certificate, . . . proceed with the . . . discontinuance . . . of service covered.” NMO  
15 ¶ 110 (quoting 47 U.S.C. § 214(c)).

16 62. The NMO makes clear that its overarching aim is to reduce regulatory  
17 burdens to network modernization, including those like the California COLR  
18 requirements. The FCC intends to reduce “red tape that has both required providers  
19 to keep aging copper lines in place and effectively prevented them from investing in  
20 the modern infrastructure that Americans want and deserve.” NMO ¶ 1. Yet, as the  
21 FCC explains, “certain state and local requirements have been unduly prolonging the  
22 use of legacy networks and actually preventing providers from building modern ones  
23 by limiting the types of services that may qualify as adequate replacement services,”  
24 requiring federal action to remove those barriers. NMO ¶ 4.

25 63. The NMO confirms that such conflicting state requirements must yield  
26 to the federal discontinuance framework. It notes that “federal law preempts state  
27 and local requirements to the extent they needlessly constrain the deployment of  
28 modern, next-generation IP-based networks by impeding providers’ ability to

1 discontinue providing legacy services and to retire outdated and deteriorating legacy  
2 networks.” NMO ¶ 7.

3 64. The NMO similarly notes that the FCC’s blanket grandfathering  
4 authorization preempts state requirements. NMO ¶ 114 n.415. Thus, “where the  
5 Commission has exercised its section 214(a) authority over interstate and/or  
6 jurisdictionally mixed service to allow a carrier to *grandfather* legacy voice service,  
7 . . . federal law preempts state requirements that operate to require the carrier to  
8 continue offering that interstate or jurisdictionally mixed grandfathered service to  
9 new customers.” *Ibid.*

10 65. Although the FCC did not address particular state laws, it is clear that  
11 California is among the culprits. The FCC expressly recognized that “conditions that  
12 purport to be technology neutral”—such as the California COLR requirements—are  
13 nonetheless preempted where they “have the practical effect of requiring the carrier  
14 to continue providing an interstate or jurisdictionally mixed telecommunications  
15 service.” NMO ¶ 112. The FCC even cited commenters’ discussion of the practical  
16 impact of the CPUC’s requirements. *See* NMO ¶ 112 n.403. The FCC also  
17 specifically rejected the CPUC’s contrary arguments on this point. *See* NMO ¶ 113  
18 n.407.

19 **COUNT I**

20 **(Ex parte Young Claim For Injunctive Relief Based On**  
21 **Preemption Under 47 U.S.C. §§ 152, 214)**

22 66. AT&T repeats and realleges the preceding paragraphs as if fully set  
23 forth herein.

24 67. The Supremacy Clause of the United States Constitution makes federal  
25 law “the supreme Law of the Land.” U.S. Const. art. VI, cl. 2. “[U]nder the  
26 Supremacy Clause, from which our pre-emption doctrine is derived, ‘any state law,  
27 however clearly within a State’s acknowledged power, which interferes with or is  
28

1 contrary to federal law, must yield.’” *Gade v. National Solid Wastes Mgmt. Ass’n*,  
2 505 U.S. 88, 108 (1992) (quoting *Felder v. Casey*, 487 U.S. 131, 138 (1988)).

3 68. Preemption may be express or implied. With express preemption,  
4 Congress “define[s] explicitly the extent to which its enactments pre-empt state law.”  
5 *English v. General Elec. Co.*, 496 U.S. 72, 78 (1990). Meanwhile, implied  
6 preemption—including its “conflict preemption” form—preempts state law “to the  
7 extent that it actually conflicts with federal law.” *Id.* at 79.

8 69. *Ex parte Young*, 209 U.S. 123 (1908), provides an equitable cause of  
9 action that allows courts to issue injunctions preventing state officials from enforcing  
10 preempted state laws against regulated parties. See *Armstrong v. Exceptional Child*  
11 *Center Inc.*, 575 U.S. 320, 326 (2015); *Osborn v. Bank of United States*, 22 U.S.  
12 (9 Wheat.) 738, 838-839 (1824).

13 **A. Section 214(c) Expressly Preempts California’s Requirements.**

14 70. The Communications Act of 1934, as amended by the  
15 Telecommunications Act of 1996, 47 U.S.C. § 151 *et seq.*, governs the federal  
16 communications ecosystem. The Act states that it “shall apply to all interstate and  
17 foreign communication by wire or radio.” *Id.* § 152(a). Section 214 requires FCC  
18 approval before a carrier may “discontinue, reduce, or impair service to a community,  
19 or part of a community.” *Id.* § 214(a). If the FCC determines that discontinuance,  
20 reduction, or impairment is in the public interest, it “shall have power to issue such  
21 certificate as applied for.” *Id.* § 214(c). Where the FCC has authorized  
22 discontinuance, reduction, or impairment, “the carrier may, *without securing*  
23 *approval other than such certificate*, . . . proceed with the . . . discontinuance,  
24 reduction, or impairment of service covered thereby.” *Ibid.* (emphasis added).

25 71. Although Section 2 already places sole responsibility for interstate  
26 communications in the hands of the FCC, Section 214 makes the division of  
27 regulatory powers even more express: when the FCC has authorized a  
28 discontinuance, reduction, or impairment, a carrier needs no “other” approval—

1 including from California—before acting. Section 214 thus expressly preempts any  
2 state requirement that prevents a carrier from acting on the FCC’s authorization for  
3 any service within the FCC’s authority. *See* NMO ¶ 114.

4 72. As discussed, Section 214 instead allows States to participate in the  
5 federal process in two ways. First, Section 214(b) requires the FCC to notify the  
6 States affected by the petition, so that they have a chance to submit their views. *See*  
7 47 U.S.C. § 214(b). Second, Section 214(c) permits any State or state commission  
8 to sue to enjoin any discontinuance, reduction, or impairment that is contrary to  
9 Section 214’s requirements. *Id.* § 214(c).

10 73. These two provisions carve out a limited role for state authority. States  
11 may participate in the Section 214 process and can sue to enjoin violations of the  
12 FCC’s determinations under Section 214, but States cannot prevent an *FCC-*  
13 *authorized* Section 214 discontinuance, reduction, or impairment. As the NMO  
14 emphasizes, “neither Section 214(b) nor Section 214(c) provides states with the  
15 power to decide whether a carrier may discontinue interstate or jurisdictionally mixed  
16 service, or empowers states to impose requirements that frustrate or add extra  
17 conditions to Commission decisions allowing discontinuance.” NMO ¶ 110. In  
18 short, “Section 214 . . . creates an exclusively federal discontinuance regime for  
19 interstate or jurisdictionally mixed telecommunications services.” NMO ¶ 108.

20 74. California POTS is a jurisdictionally mixed service that falls within the  
21 FCC’s Section 214 authority over interstate services. The concept of “local”  
22 telephone service has all but vanished: customers do not wish to purchase a service  
23 that will allow them to make only local, intrastate voice calls, and that requires a  
24 separate subscription for long-distance calls. Modern phone service is almost always  
25 “all-distance.” Indeed, California’s “basic service” elements *require* that AT&T  
26 offer customers “the ability to place and receive voice-grade calls over all distances.”  
27 CPUC Decision 12-12-038, Appx. A at 1. And even if intrastate and interstate  
28 services could be disentangled and sold separately, the infrastructure that powers

1 them cannot be. Carriers use a single, unified network to provide telephone service  
2 to customers in a particular area, regardless of whether a specific call is long-distance  
3 or local. Because both interstate and intrastate calls “are provisioned over the same  
4 network using the same technology,” NMO ¶ 107, and are otherwise commercially  
5 inseparable, they are jurisdictionally mixed and subject to the FCC’s authority.

6 75. AT&T has obtained FCC authorization to grandfather California POTS  
7 via the blanket authority granted in the NMO. See NMO ¶ 6 (granting “blanket  
8 section 214(a) authority for carriers to grandfather legacy voice services, lower-speed  
9 data telecommunications services, and interconnected Voice over IP (VoIP) service  
10 provisioned over copper wire”).

11 76. Even though Congress and the FCC have authorized AT&T to  
12 grandfather after it receives FCC approval, California law imposes several  
13 additional—and preempted—procedural and substantive hurdles before AT&T can  
14 act on the FCC’s authorization.

15 77. First, California requires AT&T to seek permission from a state  
16 regulator—the CPUC—instead of relying solely on FCC’s federal authorization. See  
17 CPUC Decision 12-12-038 at 56, Appx. A at 6. AT&T must demonstrate to the  
18 CPUC’s satisfaction that it should be released from California’s COLR regime or  
19 that an alternative service satisfies the CPUC’s “basic service” requirements. AT&T  
20 has tried, and those efforts have failed. Most notably, in 2023 AT&T applied to  
21 withdraw as a COLR in light of significant technological and market changes. CPUC  
22 Decision 24-06-024 at 8-10. But after 15 months of burdensome and contested  
23 proceedings, the CPUC rejected that application because no other carrier would  
24 assume AT&T’s obligations. The CPUC ruled that AT&T had no right even to *seek*  
25 such relief, and barred it from trying again for at least a year. CPUC Decision 24-  
26 06-024 at 21-22. This byzantine approval process creates significant procedural  
27 obstacles and delay.

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1           78. Second, the CPUC has made clear that it is not willing to permit AT&T  
2 to substitute for POTS a superior service like mobile wireless or AT&T Phone –  
3 Advanced, which relies on AT&T’s wireless network. The CPUC views services  
4 that rely on wireless as a second-class offering that cannot be “a full substitute for a  
5 COLR.” CPUC Communications Division, Staff Proposal, 24-06-012, at 22; *see id.*  
6 at 23 (explaining that the CPUC “identified critical limitations to mobile service  
7 which may make it only a partial substitute to the essential communication service  
8 guaranteed by a COLR”). In addition, the CPUC requires any substitute service to  
9 have anachronistic elements that modern POTS replacements lack, including access  
10 to dedicated long-distance carriers, outmoded components, and free access to  
11 operator services. *See* CPUC Decision 12-12-038 at 18-19, Appx. A. at 3-5; *see also,*  
12 *e.g., id.* at 26, 42 (“basic services” must fall under CPUC jurisdiction, and “wireless  
13 carriers” do not). So even if AT&T could navigate the cumbersome CPUC  
14 procedures to get a decision, CPUC’s existing rules prohibit AT&T from  
15 grandfathering POTS.

16           79. California’s COLR and tariffing requirements erect impermissible  
17 procedural barriers and substantively prohibit AT&T from grandfathering POTS, a  
18 jurisdictionally mixed service. Under Section 214(c), these requirements are thus  
19 expressly preempted.

20           **B. California’s Requirements Are Preempted Under The Impossibility**  
21           **Exception To Section 2.**

22           80. Even if POTS were not jurisdictionally mixed and instead consisted of  
23 meaningful intrastate and interstate components, California’s COLR requirements  
24 would still be preempted under longstanding impossibility-preemption principles  
25 applicable to the telecommunications industry.

26           81. Section 2 of the Communications Act bifurcates communications into  
27 two theoretical spheres: (1) interstate communications and (2) intrastate  
28 communications. Federal regulation applies to “all interstate and foreign” radio and

1 wire communications services. 47 U.S.C. § 152(a). The Act leaves jurisdiction to  
2 the States over only “intrastate communication service by wire or radio.” *Id.*  
3 § 152(b).

4 82. Despite this division of authority, the Supreme Court has explained that  
5 “the realities of technology and economics belie such a clean parceling of  
6 responsibility.” *Louisiana*, 476 U.S. at 360. Where neat division is impracticable,  
7 preemption of state regulation nominally of intrastate services turns on a strand of  
8 conflict-preemption analysis called the “impossibility exception.”

9 83. Under the “‘impossibility exception’ of 47 U.S.C. § 152(b),” state  
10 regulation of a service is preempted “if (1) it is not possible to separate the interstate  
11 and intrastate aspects of the service, and (2) federal regulation is necessary to further  
12 a valid federal regulatory objective, i.e., state regulation would conflict with federal  
13 regulatory policies.” *Minnesota*, 483 F.3d at 578; *see California*, 75 F.3d at 1359  
14 (recognizing the impossibility exception).

15 84. Even if separating interstate and intrastate service is “possible  
16 technologically,” the impossibility exception applies where “such a separation [i]s  
17 not practical.” *Public Serv. Comm’n of Md. v. FCC*, 909 F.2d 1510, 1516 (D.C. Cir.  
18 1990). Whether such separation is practical turns on “economic and operational  
19 factors.” *California v. FCC*, 39 F.3d 919, 932 (9th Cir. 1994). Services are  
20 practically inseparable where consumers “generally wish to purchase both interstate  
21 and intrastate . . . services” and where enforcing a jurisdictional separation would be  
22 “detrimental to both the consumer and the interstate communication system.”  
23 *Computer & Commc’ns Indus. Ass’n v. FCC*, 693 F.2d 198, 215 (D.C. Cir. 1982);  
24 *see North Carolina Utils. Comm’n v. FCC*, 552 F.2d 1036, 1046-1047 (4th Cir.  
25 1977) (“FCC regulations must preempt any contrary state regulations where the  
26 efficiency or safety of the national communications network is at stake,” so there is  
27 “no statutory basis for the argument that FCC regulations serving other important

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1 interests of national communications policy are subject to approval by state utility  
2 commissions”).

3 85. Here, the interstate and intrastate aspects of POTS are practically  
4 inseparable. As discussed above, carriers do not maintain one set of lines for  
5 intrastate services and another for interstate ones. Offering one while retiring the  
6 other would be economically and operationally infeasible. The market has long since  
7 moved beyond the twentieth-century model of separate local and long-distance  
8 service; modern voice offerings are uniformly “all-distance” services carried over  
9 integrated interstate networks.

10 86. AT&T employs the same copper wireline network for both interstate  
11 and intrastate calls. The FCC has authorized AT&T to grandfather this service for  
12 interstate calls. But the CPUC requires AT&T to maintain this network for intrastate  
13 calls. If AT&T is required to maintain its POTS network for intrastate calls, it cannot  
14 transition away from the network at all, given that it employs the same network for  
15 both interstate and intrastate service. It must continue maintaining the entire network  
16 so that the few remaining POTS customers can make (at least) intrastate calls. Any  
17 intrastate and interstate services are thus functionally inseparable.

18 87. The practical effect of the CPUC’s COLR requirements is to frustrate  
19 the federal goal of network modernization. Those requirements functionally prohibit  
20 AT&T from transitioning away from outdated legacy voice services like POTS. And  
21 no matter the substantive content of those requirements, the mere imposition of state  
22 regulatory hurdles slows a process that the FCC has tried to hasten. These effects  
23 directly undermine the federal objectives articulated in the NMO: encouraging “the  
24 transition to next-generation networks and services.” NMO ¶ 114.

25 88. Because these state requirements functionally prevent AT&T from  
26 grandfathering POTS to help transition to a modern communications network, in  
27 direct contravention of federal regulatory decision, the requirements are preempted  
28 under impossibility-preemption principles.

1           **C. California’s Requirements Are Preempted Under Ordinary**  
2           **Principles Of Conflict Preemption.**

3           89. At a minimum, the CPUC’s requirements are preempted under ordinary  
4 principles of conflict preemption. Conflict preemption exists where state law “stands  
5 as an obstacle to the accomplishment and execution of the full purposes and  
6 objectives of Congress” or otherwise interferes with the methods by which Congress  
7 chose to implement federal law. *Crosby v. Nat’l Foreign Trade Council*, 530 U.S.  
8 363, 372-373 (2000) (quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)). The  
9 inquiry turns on the statutory scheme and what it reveals about Congress’s objectives.  
10 See *Arizona v. United States*, 567 U.S. 387, 399 (2012). Here, California’s COLR  
11 requirements conflict with the Communications Act’s text and the FCC’s regulatory  
12 framework. Section 214 lays out a careful scheme, in which States play only a  
13 participatory role. It sets out a specific standard of public interest for the FCC to  
14 apply. When the FCC determines that an action meets that standard, States cannot  
15 block the action outside the prescribed Section 214 process—whether formally or in  
16 practical effect.

17           90. The conflict here is particularly stark. The FCC’s explicit goal in the  
18 NMO is to “cut[] through the red tape that has . . . required providers to keep aging  
19 copper lines in place,” allowing carriers to “transition from legacy TDM-based  
20 networks” to “competitive all IP-based networks.” NMO ¶¶ 1, 3. In providing a  
21 blanket grandfathering authorization, the FCC “allow[ed] carriers to focus their  
22 resources on the development and deployment of next-generation networks.” NMO  
23 ¶ 60. But the CPUC’s COLR requirements functionally negate the FCC’s decision.

24           91. As discussed, modern carriers provide service to their customers  
25 through a single, unified network. The FCC recognized this reality, observing that  
26 both local and long-distance services “are provisioned over the same network using  
27 the same technology.” NMO ¶ 107. The FCC authorized AT&T to grandfather  
28 POTS as an initial step in winding down its expansive and costly copper wireline

1 network. The CPUC’s requirements both slow the process and ultimately prevent  
2 AT&T from doing so. The CPUC’s requirements thus functionally negate the FCC’s  
3 grandfathering authorization.

4 92. Because the CPUC’s requirements conflict with Congress’s Section 214  
5 scheme and with the FCC’s grandfathering authorization, they are preempted under  
6 “general principles of conflict preemption.” NMO ¶ 114.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff Pacific Bell Telephone Company d/b/a AT&T  
9 California, respectfully requests this Court:

10 i. Enter judgment for AT&T declaring that California’s COLR  
11 requirements are preempted as applied to AT&T’s grandfathering of  
12 POTS, including the following provisions of the Public Utilities Code,  
13 CPUC rules, and CPUC decisions and orders, to the extent that they  
14 purport to impede AT&T’s ability to grandfather POTS immediately  
15 and without further regulatory approval:

- 16 (a) Cal. Pub. Util. Code §§ 489, 490, 491, 495, 495.7, and 701;
- 17 (b) CPUC Gen. Order No. 153;
- 18 (c) CPUC Gen. Order No. 96-B, Telecommunications Industry
- 19 Rules 3, 3.2, 5, 7.4, 7.1(9) and 8.5;
- 20 (d) CPUC Decision 96-10-066;
- 21 (e) CPUC Decision 12-12-038;
- 22 (f) CPUC Decision 14-01-036; and
- 23 (g) CPUC Decision 24-06-024.

24 ii. Enjoin defendants, their agents, and all persons acting in concert with  
25 them from commencing any enforcement action against AT&T based  
26 on AT&T’s grandfathering of POTS or from taking any action that  
27 interferes with, either directly or indirectly, AT&T’s grandfathering of  
28 POTS; and

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iii. Grant AT&T any other relief as the Court may deem just and proper.

Dated: May 20, 2026

**GIBSON, DUNN & CRUTCHER LLP**

By: /s/ Theodore J. Boutrous, Jr.  
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