



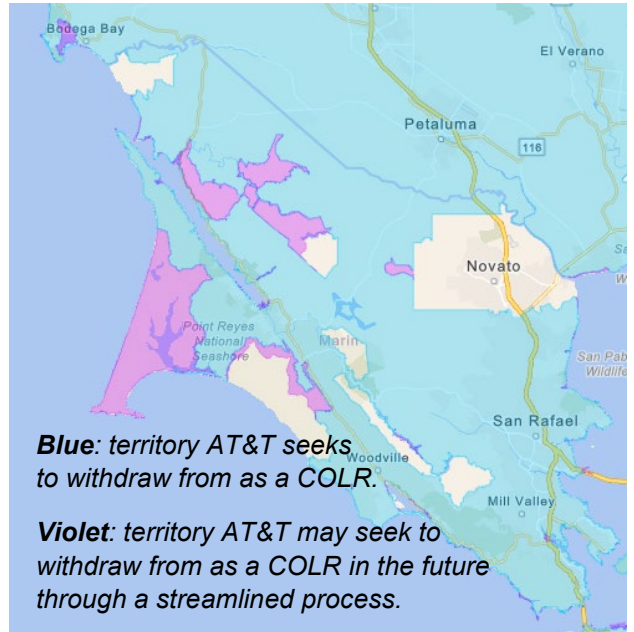
AT&T Application for Relief of Carrier of Last Resort Obligation

Informational Report for March 5, 2024 Board of Supervisors Meeting

AT&T has requested to be relieved of its Carrier of Last Resort (COLR) obligations in an application submitted to the California Public Utilities Commission (CPUC).

As a COLR, AT&T is required to provide Plain Old Telephone Service (POTS) or copper-based, landline phone service to all residential and business customers within its service territory. If the application is approved, customers in an area currently only served by AT&T might be **without landline telephone access** if no other landline telephone company steps in to serve that area and AT&T stops offering landline service. AT&T is also seeking to give up its designation as an Eligible Telecommunications Carrier (ETC), meaning it would no longer need to provide high-quality telephone service to customers at all income levels in specific areas (it receives federal funding for this ETC designation).

There are alternatives to copper-based landline phone service, including voice services that operate on broadband/internet connectivity and wireless cellular networks. However, these alternatives rely on cellular coverage and/or existing internet connectivity to the home/business – and electricity. **Copper-based landline phone service is the only voice service that works 24/7 in an area without cellular coverage, and during a power outage.**



630 Marin rural households who have **no alternative** to copper-based landline service

23,000 Marin suburban/urban households that utilize landlines but have “alternatives”

2,453 households in Marin have landlines as their single point of contact for emergency alerts

AT&T notes its COLR obligations cost the company \$1 billion per year, and those funds should not be continued to be used to maintain an “underutilized landline telephone network,” but rather should be “invested in our modern, high-speed networks.” However, in its current application to the CPUC, there is no commitment for AT&T to invest these savings in areas that currently rely on landline service. Additionally, for households/businesses with limited cell phone coverage, landlines are far from underutilized and provide in some cases the only voice communication option, especially during emergencies.

- **Why is AT&T a COLR to begin with?** *AT&T took on this obligation in the 1980’s in exchange for the state granting the company time-limited, service area monopolies. This practice is common by states when establishing and scaling new technologies and utilities.*
- **How many customers statewide would be affected by the application?** *AT&T estimates 580,000.*

Details of the CPUC application

- **Allows AT&T to withdraw copper landlines where >50% of a census block** has “alternative services”, defined as internet-based voice service, or cellular coverage for >50% of the block.
- **For areas where AT&T maintains copper landline service** (because they do not meet the >50% threshold), AT&T would no longer have the same service requirements as a COLR. E.g., as a COLR,

downed lines must be fixed within a certain period of time, and this would no longer apply. Additionally, there would be no requirement for AT&T to rebuild seriously damaged landline infrastructure after major disaster such as a wildfire.

- **Does not include affordability requirements.** Currently as COLR, AT&T must provide customers with the option to purchase **only** voice, copper-based landline service if they do not want additional AT&T services such as wireless, fiber, or DirectTV. If approved, the application could allow AT&T to require customers to purchase more expensive “bundles” in order to maintain their desired landline service.
- **Requires minimum notice to customers of 6 months** that their copper-based landline service is being terminated. This also means a 6-month notice when AT&T will switch to **only** providing internet-based voice service to the customer going forward.
- **Institutes a streamlined process** for future approvals by the CPUC of more relief of COLR obligations, including for broader geographic areas.

The CPUC has stated that for the application to move forward, “AT&T must demonstrate that another provider can provide universal support in the areas where AT&T wishes to surrender its designation.” AT&T’s application is currently [open for public comment](#). On [January 12, 2024](#) – an Administrative Law Judge ruled to suspend the previous timeline, meaning the application is left in the public comment phase until further notice.

On February 16, 2024, [Marin County sent a letter to the CPUC Opposing AT&T’s application](#). Marin’s concerns include:

- **Rural, underserved households** would be most adversely affected by the proposal – as they rely on landlines for connectivity and are most lacking in universal access to reliable and secure networks.
- Many households that rely on their landline service are **older adults, living on low/fixed-incomes**. This bill could require these households to spend considerably more on voice communications through bundled services – or by purchasing new cellular devices with unreliable coverage.
- **SEIU California, which represents In-Home Supportive Service workers**, has opposed AT&T’s application; highlighting IHSS providers’ federal mandate to check in and out of Medi-Cal clients’ homes using a web-based or telephone timesheet system. A landline telephone is the only option in the homes of clients with no cellular coverage or internet.
- **Marin County Office of Emergency Management (OEM)** relies on copper-based landlines for alert and warning notifications in areas where cellular signals are weak or nonexistent. Additionally, internet-based voice communications (even connected to a landline) would not work in a power outage due to a wildfire, PSPS event or another emergency. The discontinuation of copper-based landline service would therefore result in immediate, life-safety risks if urgent notifications cannot reach these areas. 2,453 households have landlines listed as their single point of contact for OEM emergency alerts.
- **During an emergency event, cellular tower capacity is strained** due to increased demand. Relying solely on cellular or internet-based emergency notifications will greatly slow their delivery to residents. Landlines ensure that rapid notifications have multiple paths to reach an affected area.
- **Cell phone-based, emergency alerts are opt-in.** Unlike landlines, cell phone data is not automatically available to local government agencies due to federal privacy laws for cell phone carriers. Customers must “opt-in” to the County’s mass notification system to receive emergency alerts. This creates additional barriers for underserved communities that may have technological, economic, and/or limited trust in government. (*Stored Communications Act [SCA] [18 U.S.C. § 2702] Telecommunications Act [47 U.S.C. § 222]*)

Talia Smith, Principal Analyst,
Office of the County Executive
Talia.Smith@MarinCounty.gov

Liza Massey, Chief Information
Officer
Liza.Massey@MarinCounty.gov

Steven Torrence, Director of
Emergency Management
Steven.Torrence@MarinCounty.gov