

## REPORT TO CITY COUNCIL

**DATE: FEBRUARY 28, 2024**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: NATHAN HAMBURGER, CITY MANAGER**

**BY: RAMIRO ADEVA, ASSISTANT CITY MANAGER**

**SUBJECT: APPROVE LETTER OF OPPOSITION TO AT&T's PROPOSAL TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) TO RELIEVE AT&T's OBLIGATION AS THE STATE-DESIGNATED CARRIER-OF-LAST-RESORT (COLR)**

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On February 20, 2024, the Las Virgenes-Malibu Council of Governments (COG) Governing Board discussed AT&T California's (AT&T) current proposal to the California Public Utilities Commission (CPUC) to relieve AT&T of their Carrier-of-Last-Resort (COLR) obligations in certain areas of California. If approved, AT&T California (landline service, separate from cellular) would no longer be required to offer landline telephone service where it is currently required to offer Basic Service in those areas. Basic Service includes nine service elements such as Lifeline rates for eligible customers, free access to 9-1-1, Telephone Relay Service, and directory and operator services.

Following the discussion, COG Boardmembers unanimously decided to support sending a Letter of Opposition to AT&T's proposal to the CPUC, citing concerns regarding weak wireless connectivity and the need to have landlines intact for emergency and safety reasons. The City of Agoura Hills representative, Mayor Pro Tem Penny Sylvester, informed the COG Board she could not take action until first discussing the item with the Agoura Hills City Council, due to the fact that the approved Legislative Platform does not cover this specific issue.

A COLR is a telecommunications service provider that stands ready to provide basic telephone service, commonly landline telephone service, to any customer requesting such service within a specified area. At least one telephone company in a specified area is legally required to provide access to telephone service to anyone in its service territory who requests it. This is known as the Carrier of Last Resort (COLR) obligation, which ensures that everyone in California has access to safe, reliable, and affordable telephone service. AT&T is the designated COLR in many parts of California and is the largest COLR in the state. Where AT&T is the default landline telephone service provider means that the company must provide traditional landline telephone service to any potential customer in that service territory. AT&T is proposing to withdraw as the COLR in the Agoura Hills and surrounding areas without a new carrier being designated as a COLR.

An area without a COLR could mean that there would be no landline telephone company serving that area and that there could possibly be no landline telephone access for customers in that area. If AT&T's proposal were accepted as set forth in its application, then no COLR would be required to provide basic service in Agoura Hills and the surrounding area. This does not necessarily mean that no carriers would, in fact, provide service in Agoura Hills and surrounding areas—only that AT&T would not be required to do so. Other outcomes are possible, such as another carrier besides AT&T volunteering to become the COLR in Agoura Hills and surrounding areas, or the CPUC denying AT&T's proposal.

Staff contacted AT&T and were given the attached Frequently Asked Questions (FAQ) sheet. Upon reviewing the FAQ sheet, staff further solicited clarification regarding the statement that if the CPUC approves AT&T's proposal, it would be AT&T's intent to eventually transition customers to another phone carrier service, whether that be AT&T or another carrier, and that was confirmed by the AT&T representative. In other words, although AT&T claims that no one will lose service if the CPUC approves the proposal, it was clarified that would be the case in the near term. The long-term plan would be to eventually transition customers out of using the traditional copper-based landlines when AT&T has determined other alternatives exist for customers in a certain area.

The CPUC is currently holding in-person and virtual public forums for customers of AT&T to provide input into the company's proposal to remove its obligation under California to provide voice services in its service territories.

The remaining available dates, times, and locations for public comment on AT&T's proposal are as follows:

- Date: March 14, 2024  
Time(s): 2pm and 6pm  
In-Person only  
Indio City Hall Council Chambers  
100 Civic Center Mall, Indio, CA 92201
- Date: March 19, 2024  
Time(s): 2pm and 6pm  
Virtual only  
Remote access via webcast or phone

The COG Board expressed to AT&T that more meetings were necessary for the public to comment, and that the location(s) should be closer to our area so people can attend.

Mayor Pro Tem Sylvester can provide more insight on the COG meeting since she is the City of Agoura Hills' designated representative. This item seeks direction from the City Council on whether to approve the attached Letter of Opposition from the City, as well as to support any Letter of Opposition that may collectively be submitted by the COG at a later date.

## **FISCAL IMPACT**

This action would have no additional fiscal impact to the City Council 2023-24 adopted Budget.

## **RECOMMENDATION**

Staff respectfully recommends the City Council:

1. Provide direction on whether to approve the attached Letter of opposition from the City, and
2. Provide direction on whether the City of Agoura Hills will also support the COG submitting a Letter of Opposition from the collective COG group at a later date.

Attachments: Letter of Opposition  
AT&T FAQ sheet



## California Network Modernization: FAQ

### **Will California customers lose service?**

- No California AT&T customer will be left without service.
- We are simply seeking an approved process to help consumers transition from outdated services to modern services.

### **Does this mean that customers won't have a home landline?**

- No. We are not cancelling landline service in California, and none of our California traditional copper-based customers will lose access to voice service.
- We are focused on enhancing our network with more advanced, higher speed technologies like fiber and wireless, which consumers are demanding.

### **Will California consumers have access to 911 services?**

- No customers are being disconnected.
- Our customers will continue to have access to 911, and newer digital voice services have access to 911 and use technology that makes it quicker and easier for customers to reach first responders.

### **Will Californians lose access to affordable services?**

- Today, Californians have access to mobile wireless and VoIP alternatives that are at least as affordable as copper-based landline service.
- AT&T also offers Access from AT&T, which provides low-cost internet service for eligible households with plans up to \$30/mo. and speeds up to 100Mbps where available.

### **How will California's rural residents be impacted?**

- No AT&T California customer is being left behind.
- We're working to transition our remaining consumers who use traditional copper-based phone service to upgrade to newer technologies from us or other providers.
- We are focused on enhancing our network with more advanced, higher speed technologies like fiber and wireless, which consumers are demanding.

### **What about location accuracy of 911 calls for wireless and VoIP phones?**

- Today, 911 operators can locate you nearly anywhere—from the side of a highway to inside your home—all thanks to decades of innovation in wireless location accuracy technologies.<sup>1</sup>
- The Federal Communications Commission (FCC) requires that providers of interconnected VoIP telephone services using the Public Switched Telephone Network (PSTN) to meet Enhanced 911 (E911) obligations. E911 systems automatically provide emergency service personnel with a 911 caller's call-back number and, in most cases, location information.<sup>2</sup>

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<sup>1</sup> <https://www.ctia.org/news/blog-the-wireless-industrys-commitment-to-9-1-1-location-accuracy>

<sup>2</sup> <https://www.fcc.gov/consumers/guides/voip-and-911-service>



### **What are the benefits for California's seniors using wireless services?**

- According to the Pew Research Center, 94% of seniors (65 and older) in America own a cellphone of some kind, and 76% of seniors own a smartphone (Pew Research) including 94% of those 65 and older.<sup>3</sup>
- The benefits to senior of using modern technology include for telehealth services, staying connected with loved ones, keeping mentally fit, having access to emergency alerts and the ability to track and manage health conditions.
- It's imperative that California's seniors have access to and continue to adopt high-speed internet and newer technologies, to increase access to much needed services, connect with loved ones and to improve quality of life.

### **What will happen to residents in areas where cell service may not be as strong?**

- Our analysis based on data from the CPUC and FCC showed that 99.7 percent of consumers within our service territory have at least three viable alternative options for voice service.
- These include services other than wireless, such as VoIP services provided by cable companies.
- For customers who do not have alternatives available, we will continue to provide service until such time as an alternative is available.

### **What about backup power for VoIP phones. What is the cost? How long does the backup battery power last?**

- AT&T offers a 24-hour battery backup option for AT&T Digital Phone (VoIP). Customers can also buy a backup option that lasts for less time.<sup>4</sup>
- For VoIP phones, consumers can buy reliable external backup power systems online, at local electronics stores, or directly from the phone providers from anywhere from 8 to 48 hours. Costs vary for backup batteries for VoIP, but options can be found for around \$40.

### **Are prices for broadband and phone service increasing faster than inflation?**

- The current price of AT&T residential copper-based landline service in California is \$37.50 per month. There are both bundled and non-bundled VoIP and wireless alternatives costing a similar amount or less than the current \$37.50 per month price.
- Mobile wireless providers offer prepaid and postpaid wireless plans at price points below or comparable to those for AT&T's copper-based service. Managed VoIP services that broadband providers offer over their cable, fiber and fixed wireless networks are generally less expensive than copper-based landline voice services.
- According to a 2023 study, prices for broadband experienced a 18% drop year-over-year in the price of providers' most popular broadband speed tier and a 6.5% drop year-over-year in the price of providers' fastest speed tier.<sup>5</sup>

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<sup>3</sup> <https://www.pewresearch.org/internet/fact-sheet/mobile/>

<sup>4</sup> <https://www.att.com/support/article/u-verse-voice/KM1041593/>

<sup>5</sup> [2023 Broadband Pricing Index \(BPI\) – USTelecom](#)



### **Is Access from AT&T available for new and existing customers?**

- Yes. AT&T has no plans to discontinue Access from AT&T program.
- We continue to offer the Access program, which provides low-cost internet service for eligible households with plans up to \$30/month and speeds up to 100Mbps where available. To learn more, visit <https://att.com/access>.

### **What are the eligibility criteria for Access from AT&T?**

- The following programs will continue to be used to determine eligibility for Access from AT&T: Supplemental Nutrition Assistance Program (SNAP), and Supplemental Security Income (SSI) for California residents, National School Lunch, or with a household income below 200% of federal poverty guidelines.
- New Access from AT&T customers can go through an application process where they submit documentation for review.

### **Why is AT&T exiting programs such as Lifeline that provide service to low-income customers?**

- Californians can continue to choose from among a number of providers if they want to participate the federally supported Lifeline program.
- A CPUC report found that about 85% of Lifeline customers in California already obtain the Lifeline benefit for wireless services.<sup>6</sup>
- We also offer the Access program, which provides low-cost internet service for eligible households with plans up to \$30/month and speeds up to 100Mbps where available

### **What is a COLR?**

- One of the applications that AT&T submitted, if approved, would remove AT&T's obligation under California law to provide traditional landline phone service in a large portion of our service territory in California – known as Carrier of Last Resort (COLR).
- AT&T's COLR obligation means that we must provide traditional landline phone service to any potential customer in our service territory.
- However, the COLR obligation no longer makes sense given that almost everyone in our service territory can choose among several comparable or lower-priced wireline and wireless alternatives to traditional telephone landlines for voice service.

### **Why did AT&T file for COLR relief in California?**

- We've seen a precipitous decline in demand for telephone services provided over our copper networks.
- This application seeks targeted COLR relief for areas in our California service territory where facilities-based alternative options for voice service already exist.
- Our commitment is that consumers currently in our California service territory will retain access to a service connection, whether from us or another service provider.

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<sup>6</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M478/K367/478367564.PDF>



### **Doesn't California need a COLR provider?**

- We believe that the COLR obligation is outdated and no longer necessary given that nearly everyone in our California service territory already has or can choose among several comparable or lower-priced wireline and wireless alternatives to copper-based landlines for voice service.

### **Why doesn't AT&T just maintain the copper-based network?**

- Our copper network is incapable of meeting these modern, data demands, and as such, it is now vastly underutilized.
- We cannot continue to support two networks, and the time has come for us to switch to a modern network.

### **What happens to households who do not have access to alternative services?**

- Our commitment is that customers currently in our California service territory will retain access to a service connection, whether from us or another service provider.
- For customers who do not have alternatives available, we will continue to provide service until such a time as an alternative phone service or provider is available.
- We are participating in eight in-person and virtual public forums for stakeholders and customers to provide input into our proposal.

### **Is AT&T just profiting off discontinuing landline?**

- We are not cancelling landline service in California, and none of our California customers will lose access to voice service if the CPUC approves our application.
- We spend more than a billion dollars a year in California maintaining our legacy network and set of services that are used by a small and rapidly declining number of customers. Those dollars would be better spent on more advanced, higher speed technologies like fiber and wireless, which consumers are increasingly demanding over outdated copper-based services.
- In California, we invested nearly \$8.6 billion in our wireless and wireline network infrastructure from 2020-2022.

### **Would we sell portions of business to another service provider?**

- None of our traditional copper-based landline customers in California will be left without service.
- We are simply seeking an approved process to help consumers transition from an antiquated copper network to modern services. Our goal is for customers currently in our California service territory to retain access to a service connection, whether from us or another provider.
- We are focused on investing in services that will meet our rural customers' needs today and in the future. Resources we spend on maintaining an antiquated copper network are resources we can't invest in our networks to help close the digital divide.



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*"Gateway to the Santa Monica Mountains National Recreation Area"*

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February 25, 2024

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

Re: AT&T application for Relief of Carrier-of-Last-Resort obligation-Letter of Opposition

Dear President Reynolds,

On behalf of the City of Agoura Hills, I am writing to oppose AT&T's proposal to abandon their COLR obligations and request that the California Public Utility Commission (CPUC) reject their application for relief.

AT&T is a "Carrier of Last Resort" (COLR) basic landline phone service upon request to all residential and business customers within its service territory. Such service has a uniform set of standards and regulations that does not extend to new technologies that provide similar services, such as wireline Voice-Over Internet Protocol (VoIP). According to the CPUC's Universal Service Rules, carriers such as AT&T may opt out of their COLR when another COLR is providing service and assumes COLR service responsibilities. AT&T's application, on the other hand, requests COLR relief for over 99% of their service territory where AT&T determines an alternative voice provider exists and does not request a replacement COLR. AT&T's application also requests expedited approval for future COLR relief through a CPUC Tier 1 process, which does not require CPUC approval. If approved by the CPUC, AT&T could cancel service to its existing copper landline customers as early as six months.

During an emergency, such as a natural disaster or an electrical power outage, customers and first responders need reliable access to 9-1-1 and 2-1-1 services, including the ability to receive alerts and notifications.

There are parts of Agoura Hills, like many areas in our region, that does not have reliable cell service due to factors such as topography. Furthermore, reliable electricity from SCE is down frequently, either due to planned outages, incidents, or natural disaster events



(such as the 2018 Woolsey Fire, which impacted our entire region). Even when power returns, internet is not always automatically restored.

Lastly, the City of Agoura Hills is in a state-designated Very High Fire Hazard Severity Zone (VHFHSZ) and having available hard-wired (no electricity required) landlines is imperative in communicating with residents in public safety situations. This service is such a critical tool for emergency communication with our residents, many of whom are elderly and/or own horses and livestock. Losing landline service at any point severely limits people's access to reliable emergency services and will put lives at risk in our community.

For these reasons, on behalf of our City and City Council, I respectfully request that the CPUC reject AT&T's application for relief of its COLR application. Should you have any questions, please do not hesitate to contact our City Manager, Nathan Hamburger, at 818-597-7308.

Sincerely,

Illece Buckley Weber, Mayor  
City of Agoura Hills

CC: The Honorable Benjamin Allen, Senate District 24  
The Honorable Jacqui Irwin, Assembly District 27  
The Honorable Lindsey Horvath, LA County Supervisorial District 3  
Terry Dipple, Las Virgenes-Malibu Council of Governments  
Jeff Kiernan, League of California Cities