BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of: Petition of AT&T for Forbearance Under 47 U.S.C. § 160(c) from Requirements Imposed on Eligible Telecommunications Carriers by 47 U.S.C. § 214(e)	WC Docket No. 26-123

COMMENTS OF THE PEOPLE OF THE STATE OF CALIFORNIA AND THE CALIFORNIA PUBLIC UTILITIES COMMISSION IN OPPOSITION TO AT&T SERVICES, INC.'S PETITION FOR FORBEARANCE FROM ETC REQUIREMENTS

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I. INTRODUCTION

The People of the State of California and the California Public Utilities Commission (CPUC or California) submit these comments opposing the Petition of AT&T Services, Inc. (AT&T) for forbearance under 47 U.S.C. § 160(c) from its obligations as an eligible telecommunications carrier (ETC) under 47 U.S.C. § 214(e) (Petition). For the reasons below, the Federal Communications Commission (Commission or FCC) should deny the Petition.

AT&T understates what it asks the Commission to do. This is not, as AT&T frames it, a "modest extension" of prior forbearance.[1] AT&T seeks *permanent, unconditional* forbearance from *all* its ETC obligations across its entire California service territory. As to general voice service, that change would permanently eliminate the statutory guarantee of continued service in the roughly six percent of census blocks where AT&T does not already hold forbearance – a residential population that AT&T has not disclosed – without demonstrating that qualifying alternatives exist or that all affected customers will continue to be served, as required by 47 U.S.C. § 214(e)(4). As to federal Lifeline, it would permanently relieve AT&T of its obligation to approximately 40,000 existing customers, as well as new and existing customers in Sierra and Trinity Counties, again without ensuring that they will continue to receive Lifeline service from another ETC.[2]

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[1] Petition of AT&T Services, Inc. for Forbearance under 47 U.S.C. §160(c), May 20, 2026 ("Petition") at 1, 5, 34.

[2] Petition at 17, 39.

AT&T's central justification for this sweeping relief is that its ETC obligations "threaten to impede AT&T from modernizing its network in California."[3] That claim cannot be reconciled with AT&T's own representations. In its contemporaneous applications under 47 U.S.C. § 214(a) to discontinue residential "plain old telephone service" (POTS), AT&T represents that it can provide AT&T Phone – Advanced (AP-A), an advanced voice service, to *all customers* in the areas where it seeks to discontinue POTS;[4] it has announced discounted AP-A offerings for existing customers in those areas;[5] and, in a parallel CPUC proceeding, **AT&T has acknowledged that it already provides basic voice service to thousands of customers over fiber lines**.[6] AT&T does not explain why it must meet its ETC obligations with POTS rather than advanced voice services. In reality, AT&T's ETC status does not impede network modernization, and network modernization does not require abandoning ETC obligations.[7]

The Petition also fails the governing forbearance standard. AT&T seeks to bypass the "inquiry at a sufficiently granular level to ensure that the customers in that area 'will

[3] Petition at 1.

[4] Section 63.71 Application of AT&T, WC Docket 26-121, May 20, 2026, at 3.

[5] *See also* Petition at 22-23.

[6] Pacific Bell Telephone Company d/b/a AT&T California's Opening Comments on Administrative Law Judge's Ruling Regarding Comments on Topics Discussed at August Workshop, Nov. 21, 2025, in Rulemaking 24-06-012, pp. 29-30, available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M588/K334/588334709.PDF>.

[7] Indeed, AT&T's applications for discontinuance of its legacy POTS plant have already been automatically granted, pursuant section 63.71(f) of the Commission's rules. 47 C.F.R. § 63.71(f)(1).

continue to be served'" that statute and Commission precedent require.[8] Section 10(a) permits forbearance only if AT&T proves that all three statutory forbearance criteria are satisfied, yet AT&T has not provided the evidence the Commission *itself* requires to forbear from ETC obligations of this kind. In the *2015 USTelecom Forbearance Order*, the Commission held that a forbearance of this nature must be evaluated in light of the consumer protection purposes of Section 214(e), and that the petitioner must show, on a granular level, that remaining ETCs have the "coverage and capacity to serve all of the . . . Lifeline customers within a reasonable period."[9] Not merely that other providers are present. AT&T only offers high-level mapping evidence that the Commission already found insufficient for forbearance of ETC obligations.[10] The Commission should not allow AT&T to evade the federally mandated process that ensures that customers continue to receive service.

II. AT&T BEARS THE BURDEN OF PROVING ALL THREE FORBEARANCE CRITERIA, AND THE COMMISSION MUST DENY THE PETITION IF ANY ONE IS UNMET.

Under Section 10(a) of the Communications Act, the Commission must forbear from applying a provision only if it determines that:

> (1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or

[8] *Petition of USTelecom for Forbearance Pursuant To 47 U.S.C. § 160(c) From Enforcement of Obsolete ILEC Legacy Regulations That Inhibit Deployment of Next-Generation Networks; Lifeline and Link Up Reform and Modernization; Connect America Fund*, Memorandum Opinion and Order, FCC 15-166,111 (rel. Dec. 28, 2015) ("*2015 USTelecom Forbearance Order"*), quoting 47 U.S.C.§ 214(e)(4).

[9] *2015 USTelecom Forbearance Order,* ¶ 118.

[10] *2015 USTelecom Forbearance Order,* ¶¶ 115, 116.

> telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;
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> (2) enforcement of such regulation or provision is not necessary for the protection of consumers; and
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> (3) forbearance from applying such provision or regulation is consistent with the public interest.[11]

In a petition for forbearance, the burdens of both production and proof rest on the petitioner.[12] As the Commission stated "the petitioner bears the burden of proof -- that is, of providing convincing analysis and evidence to support its petition for forbearance."[13] A petition for forbearance must be "complete as filed," meaning the petitioner must detail in their initial petition how each of the statutory criterion is met with regard to each statutory provision or rule from which forbearance is sought.[14] To grant forbearance, the Commission must affirmatively find that all the statutory elements of forbearance have been met.[15] Because the three prongs are conjunctive, the Commission must deny the petition if any one prong is unmet.[16] As demonstrated below, AT&T failed to carry its burdens of production and proof on the second and third prongs. Thus, the Commission should deny the Petition for forbearance.

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[11] Section 10(a) of the Communications Act is codified at 47 U.S.C. § 160(a).

[12] *In the Matter of Petition to Establish Procedural Requirements to Govern Proceedings for Forbearance Under Section 10 of the Communications Act of 1934, As Amended*, 24 FCC Rcd. 9543, 9554-55, 20 (2009).

[13] *Id*.

[14] *Id.*, ¶¶ 11, 16.

[15] *See cf. Qwest Corp. v. FCC*, 689 F.3d 1214, 1226 (10th Cir. 2012).

[16] *In re Core Communs., Inc.,* 455 F.3d 267, 277 (D.C. Cir. 2006).

III. AT&T CANNOT DEMONSTRATE THAT CONSUMERS WILL BE PROTECTED OR THAT FORBEARANCE IS IN THE PUBLIC INTEREST.

A. Permanent, Unconditional, Single Carrier Forbearance from Universal Service Obligations Is Not in the Public Interest.

As the United States Senate stated in support of the Telecommunications Act of 1996, "universal service is a cornerstone of the Nation's communications system."[17] The Commission has a fundamental mission to promote universal service.[18] Consistent with that mission, the Commission has a track record of reluctance to providing complete forbearance from universal service obligations, and especially from Lifeline voice obligations, even as it has granted conditional forbearance. The Commission explained in the *2015 US Telecom Forbearance Order* that "[l]ow-income consumers may lack the resources to take advantage of alternative service options from non-Lifeline providers," and thus "we find it appropriate to evaluate marketplace conditions for low-income customers in a more focused manner, even in areas where we might naturally expect at least some level of competitive provision of service generally.[19]

AT&T's request for permanent, unconditional, territory wide relief from all ETC obligations is not in the public interest for several reasons. First, Section 10(b) directs the Commission, as part of its public interest inquiry, to consider whether forbearance will promote competitive market conditions.[20] A sweeping, unconditional forbearance

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[17] S. Rep. No. 104-23, 104th Cong., 1st Sess. 25 (1995); *see also* FCC webpage on Universal Service: https://www.fcc.gov/general/universal-service.

[18] *In re NTCA*, 2018 FCC LEXIS 2270, June 8, 2018, ¶ 2.

[19] *2015 USTelecom Forbearance Order,* ¶ 118.

[20] *In re NTCA*, 2018 FCC LEXIS 2270, ¶ 14; *see also* 47 U.S.C. § 160(b).

available to a single carrier is unlikely to promote competitive market conditions. When the Commission has previously forborne from universal service requirements, it has done so on an industry-wide basis and on a showing that *each of* the supporting conditions was met.[21] The Commission should not break from precedent to grant unconditional, sweeping forbearance to a single carrier here.

Second, the Commission's prior forbearance was justified in part by the goal of promoting competition and investment in advanced services.[22] However, AT&T represents that advanced services from competitors, both fixed and wireless, are now widespread throughout its service territory and that AT&T itself can provide advanced voice service to all affected customers today.[23] Thus, the rationale to redirect investment from legacy voice services to more advanced technologies is no longer relevant as justification for forbearance; such investment in advanced technologies has already occurred and will continue, irrespective of AT&T's ETC status.

Third, the Commission's own actions do not support AT&T's claim that competitive conditions have matured to the point that permanent forbearance from the Lifeline voice obligation is warranted. The *2016 Lifeline Order* did not grant the sweeping permanent, unconditional relief that AT&T seeks.[24] Instead, the Commission

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[21] *Connect America Fund,* Report and Order, 29 FCC Rcd. 15644, 51, 55, 61 (2014) ("*2014 CAF Order*"); *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd. 3962, 326, 333, 335-336 ("*2016 Lifeline Order*") (emphasis added).

[22] *2014 CAF Order*, ¶ 65; *2016 Lifeline Order*, ¶¶ 336-337, 339.

[23] Petition at 22-25.

[24] *2016 Lifeline Order*, ¶¶ 324, 329.

adopted a carefully circumscribed framework.[25] The forbearance was limited to new customers, available only in counties satisfying a rigorous three-part competitive test,[26] and made that forbearance subject to annual redetermination by the Wireline Competition Bureau (Bureau) based actual Lifeline subscriber data. AT&T asks the Commission to abandon every one of those safeguards.

The Bureau's annual public notices demonstrate why those safeguards remain essential. Competitive conditions are not static, nor can they move in only one direction. Counties that once qualified for forbearance can lose eligibility if their conditions deteriorate below the threshold. Lifeline forbearance is therefore not a one-time determination, but an ongoing analysis based on current market realities. Permanent forbearance would eliminate the very mechanism the Commission designed to detect these changes: the conditional structure is a core feature of the universal service framework.

The Commission's annual determinations defeat AT&T's request to extend Lifeline forbearance into Sierra and Trinity Counties – the only two California counties that have never qualified under the *2016 Lifeline Order* test. Those two counties have failed the Commission's three-part competitive test in every annual determination from 2017 through 2025, even as other rural California counties became eligible during that

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[25] *2016 Lifeline Order*, ¶ 329.

[26] The *2016 Lifeline Order* granted forbearance only within carefully drawn limits: it applied *only to new Lifeline customers*, *only on a conditional basis* subject to annual redetermination, and *only in counties* satisfying a three-part competitive test (51% Lifeline broadband penetration; at least three Lifeline broadband providers each serving 5%; and no high-cost support). *See 2016 Lifeline Order*, ¶¶ 335, 354-60.

same period.[27] Their repeated non-qualification is based on the Commission's determination using data from the National Lifeline Accountability Database and Lifeline Claims System that the competitive conditions necessary to support forbearance do not exist in those counties.[28] This is the universal service framework functioning exactly as it intended: it identifies the rural, high-cost counties where low-income consumers remain most dependent on the Lifeline voice obligation and preserves protections where market forces alone have proven insufficient. AT&T asks the Commission to disregard those current findings.[29] The Commission should decline to do so.

Fourth, the burden of AT&T's proposed relief would fall disproportionately on the populations universal service exists to protect. For many vulnerable consumers, such as seniors, persons with disabilities, residents of rural and Tribal communities, and those living in low-income households, wireline service is often a necessity rather than a discretionary service. These customers rely on access to essential communications services for 911 access, medical monitoring, accessibility services such as California Relay, and continuity during power outages.[30] The California Connect program alone

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[27] *See Wireline Competition Bureau Announces Counties Where Conditional Forbearance from the Lifeline Voice Obligation Applies,* Public Notice, WC Docket No. 11-42, 32 FCC Rcd 5639 (WCB 2017); *Wireline Competition Bureau Announces Counties Where Conditional Forbearance from the Lifeline Voice Obligation Applies,* Public Notice, WC Docket No. 11-42, 40 FCC 5759 (WCB 2025) (issuing annual updates).

[28] *Id.*

[29] AT&T does not even claim that all customers in Sierra and Trinity will be able to find alternative providers, only stating vaguely that "*[n]early all consumers* in these two counties thus have multiple Lifeline voice alternatives." Petition at 36 (emphasis added). Thus, AT&T admits that some customers will be unserved if forbearance of its ETC obligations is granted.

[30] California Connect (formerly the Deaf and Disabled Telecommunications Program) 2024-25 Annual Report, March 1, 2026, at 1, 3, 20. Available at https://www.cpuc.ca.gov/-/media/cpuc-

serves hundreds of thousands of consumers with disabilities who depend on specialized equipment and relay services that require a functioning telephone line.[31] AT&T proposes to abandon these customers without any assurance they could obtain replacement service.

Finally, forbearance of ETC obligations is not in the public interest because it will not help AT&T modernize its network. Throughout its Petition, AT&T makes the argument that relief from ETC obligations will allow it to better modernize its network. AT&T relies greatly on the *Network Modernization Order* and suggests that it supports AT&T's requested relief from ETC obligations.[32] However, the *Network Modernization Order* dealt only with Section 214(a) discontinuance issues, all its discussion about the removal of a state commission's "exit barriers" or "additional hurdles" are relevant only to Section 214(a) discontinuance.[33] Contrary to AT&T's mischaracterization, the *Network Modernization Order* made clear that its pronouncements did not impact procedures for ETC relinquishment.[34]

The Commission should not grant AT&T's Petition for forbearance, as sweeping, unconditional forbearance from universal service obligations is not in the public interest.

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website/divisions/communications-division/documents/ddtp/ddtp-annual-reports/california-connect-annual-report-2024-2025-v22.pdf.

[31] *Id.* at 1-3.

[32] Petition at 20-22.

[33] *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*")*,* 106, 110-114; *see cf.* Petition at 9, n.34.

[34] *Network Modernization Order*, ¶ 109; *see cf.* Petition at 9 (emphasis added, citations omitted): "The Commission has confirmed—and recently reiterated—that state commissions may not erect 'additional hurdles' or 'exit barriers' for *relinquishing ETCs* beyond what section 214(e) requires."

As will be demonstrated below, this forbearance would bring great harm to a significant number of customers.

B. The *2015 USTelecom Forbearance Order* Requires Granular Evidence that Customers Will Continue to Be Served to Forbear from Lifeline Voice Obligations.

AT&T's request for forbearance may be overbroad, but it is not unprecedented. In the *2015 USTelecom Forbearance Order,* USTelecom petitioned the Commission for forbearance from ETC obligations.[35] The Commission recognized that USTelecom was effectively seeking ETC relinquishment through forbearance, just as AT&T does here.[36] Accordingly, in deciding on forbearance of ETC obligations, the Commission effectively imposed the same statutory standards governing ETC relinquishment:

> Because we view USTelecom's requested forbearance as yielding an analogous result to what would occur in the case of a relinquishment — i.e., consumers in areas where price cap carriers are ETCs with associated obligations today would, post-forbearance, lose the ability to invoke those protections — our section 10(a)(2) analysis is informed by the consumer protection goals identified in section 214(e)(4). Most fundamentally, the section 214(e)(4) relinquishment process allows for the states (or the Commission, if applicable) to *conduct an inquiry at a sufficiently granular level to ensure that the customers in that area "will continue to be served."* The relinquishment process *not only entails an evaluation of what service providers are present in an area at a given point in time, but of the practical ability of those providers to take on additional consumers as* might be needed once the relinquishing carrier is no longer an ETC subject to associated obligations in that area. Indeed, section 214(e)(4) not only involves an inquiry regarding the capabilities of other service providers, but, to the extent needed, includes a

[35] *2015 USTelecom Forbearance Order*, ¶¶ 4, 101.

[36] *2015 USTelecom Forbearance Order*, ¶ 111.

> grant of authority to obligate remaining ETCs to acquire adequate facilities within a defined time period.[37]

The Commission thus made clear that evaluating forbearance from ETC obligations requires an inquiry sufficiently granular to allow the Commission to determine not merely whether other service providers are present, but whether they have the *practical ability* to ensure that *all customers will continue to be served*. Without such evidence, the Commission cannot find that consumers are protected, as the second prong requires.[38]

In fact, in support of USTelecom, AT&T provided evidence, just as it claims here "that there are multiple Lifeline ETCs serving every one of its wire centers nationwide;" but the Commission found that "AT&T has not provided evidence that would allow us to determine on a level of granularity, analogous to the protections provided by section 214(e)(4), that for each census block at issue that other ETCs will have the ability to take on additional consumers within a reasonable timeframe."[39]

Thus, the Commission rejected the very type of presence-based showing on which AT&T relies here, especially in regard to wireless ETCs:

> And even in cases where AT&T has demonstrated that there is more than one Lifeline provider designated to serve a wire center, USTelecom has not provided evidence to show that those remaining Lifeline ETCs, many of which likely are wireless providers (as AT&T has acknowledged), have the

[37] *Id.* (emphasis added).

[38] *Id*; *see also* 47 U.S.C. § 160(a)(2).

[39] *Id.*, ¶ 116.

> coverage and capacity to serve all of the price cap carriers' Lifeline customers within a reasonable period.[40]

The Commission recognized that "there continues to be gaps in mobile wireless coverage, particularly in rural areas" and concluded that "we are not persuaded that consumers will be protected if we forgo a *localized inquiry* into whether other ETCs can take on a price cap carrier's customers simply based on the fact that there are multiple wireless providers serving that census block."[41] In other words, it is not enough just to show the presence of a wireless ETC: the Commission in a forbearance petition must make a factual inquiry as to whether that ETC could actually serve all the relinquishing ETC's Lifeline customers.

When the Commission granted conditional forbearance from some Lifeline voice obligations in the *2016 Lifeline Order*, it reiterated that "a detailed marketplace evaluation is needed to assess the effects of *unconditional forbearance* from Lifeline voice obligations…"[42] Since these orders, the Commission has continued to recognize both that wireless coverage maps overstate actual ability to serve customers and the limits of wireless service in providing replacement service to all customers.[43] The recent *Network Modernization Order* did not change this Commission precedent. That order

[40] *Id.*, ¶ 118.

[41] *Id.*, ¶ 117 (emphasis added).

[42] *2016 Lifeline Order,* ¶ 332 (emphasis added), citing *2015 USTelecom Forbearance Order*, ¶ 122-23.

[43] Mobility Fund Phase II Coverage Maps Investigation Staff Report, GN Dkt. No. 19-367, 2019 FCC LEXIS 3977, ¶ 4; *In re Resilient Networks et al.,* PS Dkt. No. 21-346., Report and Order and Notice of Proposed Rulemaking, FCC 22-50 (July 6, 2022), ¶ 4.

only addressed Section 214(a) discontinuance and preserved the requirements for ETC relinquishment.[44]

Thus, the Commission has established clear precedent, that to grant unconditional forbearance from Lifeline voice obligations, a petitioner must provide detailed information, to allow the Commission to perform a localized inquiry to ensure that an ETC's customers will continue to be served.

C. AT&T's Petition Does Not Demonstrate that Consumers Will Be Protected or that They Will Continue to Be Served.

AT&T's factual showing provided with its Petition does not approach the granularity the *2015 USTelecom Forbearance Order* requires. As is evident in its Petition, and in the attached Declaration of Sandra Charenski, AT&T performed a high-level mapping exercise by comparing its wire centers with the National Broadband Map and the purported presence of fixed broadband providers and wireless service.[45]

For most of this mapping exercise, Ms. Charenski documents only the presence of *providers*, not *ETCs*, with the purported capacity to serve all affected customers.[46] As required by statute and the Commission, the relinquishment and forbearance inquiry turns on replacement *ETCs* that can serve customers who lose AT&T's service, not on the mere presence of a broadband or mobile provider in a census block. AT&T's analysis

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[44] *Network Modernization Order*, ¶ 109.

[45] Petition at 31-32, Declaration of Sandra Charenski, ¶ 15.

[46] Declaration of Sandra Charenski, ¶¶ 8-15.

does not establish that the alternative *providers* have the capacity to take on additional customers as Section 214(e)(4) requires.[47]

The only time Ms. Charenski discusses the purported presence of alternate *ETCs* (as opposed to mere providers) is in a paragraph discussing "mobile wireless ETCs [that] resell mobile voice service throughout AT&T's California incumbent local exchange carrier service territory."[48] Elsewhere in its Petition, AT&T similarly claims multiple alternative wireless ETCs serve every wire center and census block in its service territory, this time citing the evidence it presented in the CPUC proceeding.[49]

There are several problems with this argument and specifically its reliance on the presence of wireless ETCs. First, in its proceeding, the CPUC examined AT&T's evidence on a full record and found it wanting. After evidentiary hearings, the CPUC found that the evidence AT&T provided was inaccurate and unreliable, held that it did not meet the ETC relinquishment standard, and kept the proceeding open for a further phase where AT&T can provide evidence that meets the standard.[50] Second, AT&T's showing rests on an assumption the Commission already rejected: that the mere presence of an ETC in a wire center guarantees that customers will be served.[51] This is precisely the high-level analysis that the *2015 USTelecom Forbearance Order* found insufficient,

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[47] *See* Declaration of Sandra Charenski, ¶¶ 9, 12, 15.

[48] Declaration of Sandra Charenski, ¶ 18; *see also* ¶ 19.

[49] Petition at 18 & Fn.79, 80 (citations omitted).

[50] CPUC Decision (D.)25-12-004, 2025 Cal. PUC LEXIS 579, at *33-36, *60-64, Conclusions of Law (COL) 5, 7, Ordering Paragraph 1 ("D.25-12-004").

[51] Petition at 31-32, 38-39; Declaration of Sandra Charenski, ¶¶ 9, 12, 15, 18.

because presence in an area does not ensure that all customers will be served.[52] More specifically, as to AT&T reliance on mere presence of *wireless* ETCs,[53] both the Commission and the CPUC agree that the mere presence of wireless ETCs does not establish that customers will continue to be served.[54] Further, the CPUC found that wireless reseller ETCs, the only type of ETCs that Ms. Cherenski discusses, may lack the resources to ensure that all of a relinquishing ETC's customers will be served.[55]

AT&T tries to excuse its failure to provide the granular, customer-level showing that Section 214(e)(4) and the *2015 USTelecom Forbearance Order* require, by arguing that "that duty falls on the state commission and the remaining ETCs, not the relinquishing ETC."[56] But, AT&T ignores the first part of that same sentence in Section 214(e)(4) which provides that "Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service" the state commission must ensure that all customers will continue to be served. AT&T is correct that the duty rests with the state commission, but this duty must be fulfilled *prior* to allowing ETC relinquishment. That is exactly what the CPUC is doing in the ongoing AT&T ETC Relinquishment proceeding.[57]

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[52] *2015 USTelecom Forbearance Order*, ¶ 115.

[53] Petition at 38-39; Declaration of Sandra Charneski, ¶¶ 18, 19.

[54] *2015 USTelecom Forbearance Order*, ¶ 115, 116; D.25-12-004, 2025 Cal. PUC LEXIS 579, at *64-68, Findings of Fact (FOF) 25, COL 5.

[55] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *30.

[56] Petition at 9, quoting 47 U.S.C. § 214(e)(4).

[57] CPUC Application 23-03-002, *Assigned Commissioner's Scoping Memo and Ruling* (September 20, 2023), at 2. ("What should the Commission do to ensure that all customers served by the

Instead of providing the evidence necessary to fairly judge its request, AT&T asks the Commission to perform a rudimentary "evaluation of what service providers are present in an area at a given point in time" even though the Commission has already held such an evaluation insufficient to support forbearance from universal service requirements in general, and from the Lifeline voice service obligations specifically.[58] Thus, the Commission cannot find that consumers will be protected and cannot find that AT&T has carried its burden under Section 10(a).

D. Eliminating Lifeline Service for Tens of Thousands of Customers, Without Ensuring Replacement Service, Will Harm These Consumers.

The second prong of the forbearance analysis asks whether enforcing AT&T's ETC obligation is necessary to protect consumers. The answer is yes. Pursuant to its requested forbearance, AT&T could stop providing Lifeline service to approximately 40,000 existing low-income customers in California, as well as to all existing and new customers in two counties, and could cease offering general voice service to a far larger residential population, without any demonstration that those customers will continue to be served. After a full evidentiary process, the CPUC found that AT&T failed to provide the evidence necessary for the CPUC to make the required determination that all of

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relinquishing ETC will continue to be served, as 47 USC Section 214(e)(4) requires?"); D.25-12-004, 2025 Cal. PUC LEXIS 579, at *20-23 and Conclusion of Law (COL) 5.

[58] Petition at 31-32, 38-39; *2015 USTelecom Forbearance Order*, ¶ 111.

AT&T's customers would continue to be served,[59] and AT&T's Petition makes no better showing here.

Where the Commission has provided forbearance on universal service obligations, it has done so conditionally, contingent on a continuing showing that the conditions supporting forbearance *remain satisfied*.[60] However, AT&T seeks permanent, unconditional relief from universal service obligations that would have the immediate effect of leaving tens of thousands of customers without Lifeline service. The Commission cannot find the consumer protection prong satisfied where the result of forbearance is to leave vulnerable customers without ensuring adequate replacement.

IV. AT&T SEEKS TO EVADE THE APPROPRIATE EVIDENTIARY PROCESS FOR ETC RELINQUISHMENT ASSIGNED TO THE STATE COMMISSION.

In substance, AT&T asks the Commission grant relinquishment of its ETC designation throughout California in the form of a forbearance petition, bypassing the process mandated by Section 214(e)(4). The CPUC is conducting that inquiry now. AT&T's characterization of that decision as having "formally denied the application in substantial part and effectively denied it in full" is inaccurate.[61] The proceeding is ongoing, and in a subsequent phase, the CPUC will consider whether AT&T met the

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[59] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *33-36, *60-64, Conclusions of Law (COL) 5, 7.

[60] *2014 CAF Order,* ¶¶ 51, 55, 61; *2016 Lifeline Order* ¶¶ 326, 333, 335-336.

[61] Petition at 17, citing D.25-12-004, 2025 Cal. PUC LEXIS 579, at *1–2, *4–6.

conditions for ETC relinquishment for a substantial share of its California customer population.[62]

Rather than waiting for the outcome of the proceeding ordered by federal law, AT&T seeks an extraordinary forbearance, applicable only to AT&T, covering its entire service territory in California. And, in doing so, it badly mischaracterizes the CPUC's proceeding. It is appropriate to correct that mischaracterization.

A. The CPUC Applied Federal Standards, Not Novel State Requirements.

AT&T contends that the CPUC "adopted a novel interpretation of section 214(e)(4) that conflated the statute's distinct provisions and imposed prerequisites the statute does not authorize."[63] It identifies what it characterizes as "three basic errors."[64] Each contention mischaracterizes the CPUC decision.

As to the first alleged error, AT&T asserts that the CPUC "conflated the statute's distinct provisions" by requiring more than the mere existence of alternative ETCs in the service area.[65] As discussed above, these provisions are all part of the same sentence of Section 214(e)(4), which requires that *prior to permitting an ETC to relinquish its status,* the state commission must "ensure that all customers served by the relinquishing carrier will continue to be served." The CPUC did not conflate separate statutory requirements. The CPUC was required to give effect to the statute as written.

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[62] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *71 and Ordering Paragraph 1.

[63] Petition at 18.

[64] *Id.*

[65] Petition at 18-19.

As to the second alleged error, AT&T inaccurately asserts that "the CPUC also ruled that AT&T cannot rely on wireless ETCs."[66] The decision contains no such categorical holding.[67] Rather, the CPUC made evidentiary findings and conclusions about whether existing wireless ETCs could ensure continued service to all AT&T's existing ETC customers, as required by Section 214(e)(4).[68] The CPUC separately observed that 47 U.S.C. Section 332(c)(3)(A) limits the CPUC's ability to *order* wireless companies to serve as replacement ETCs.[69] That observation concerns the limits of the CPUC's regulatory authority to require a replacement provider. It does not suggest that the availability of wireless ETCs is irrelevant to the relinquishment analysis.

As to the third asserted error, AT&T inaccurately alleges that the CPUC found "that AT&T, as an ETC designated to receive both high-cost and Lifeline support, cannot rely on any alternative ETC that receives only Lifeline support."[70] The CPUC's determination was based on Commission precedent that "[t[he FCC interprets 47 U.S.C. Section 214(e) to permit this Commission to replace Full ETCs, such as AT&T, with Full ETCs."[71] The CPUC also found that small, wireless Lifeline-only reseller ETCs lacked the resources to build out service to take on new customers.[72] These evidentiary findings

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[66] Petition at 19.

[67] Petition at 19, citing D.25-12-004, 2025 Cal. PUC LEXIS 579, at *32, *65, *105.

[68] D.25-12-004, at *64-68, FOF 25, COL 5.

[69] D.25-12-004, at *32 and COL 8.

[70] Petition at 19, citing D.25-12-004, at *24-29.

[71] D.25-12-004, Finding of Fact (FOF) 15.

[72] D.25-12-004 at *30.

were based on the statutory requirement that all customers continue to be served, not from any California-specific standard.[73]

AT&T also claims that it "presented unrebutted evidence satisfying the one-alternative-ETC standard under section 214(e)(4)."[74] However, that is not the governing standard. Section 214(e)(4) requires that all customers continue to be served, not merely that one other ETC is designated. Moreover, much of the evidence that AT&T presented was not only rebutted, but was found to be unreliable by the CPUC.[75]

AT&T made many mischaracterizations of the CPUC ETC relinquishment proceeding, but the CPUC simply followed the requirements found in Section 214(e)(4).

V. THE CPUC PROPERLY FOUND THAT AT&T DID NOT PROVIDE THE EVIDENCE NEEDED FOR ETC RELINQUISHMENT.

As discussed above, AT&T essentially asks the Commission to decide an application to relinquish its ETC designation throughout California, but in the form of a forbearance petition. The statutory requirement to ensure that *all customers* will continue to be served by another ETC is an *issue of fact* best resolved through an evidentiary process, and the statute requires that this finding be made *prior* to permitting an ETC to cease providing universal service.[76]

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[73] D.25-12-004 at *30-31.

[74] Petition at 19.

[75] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *33-36, *60-64, COL 5, 7.

[76] 47 U.S.C. § 214(e)(4); *2015 USTelecom Forbearance Order*, ¶ 111: "Most fundamentally, the section 214(e)(4) relinquishment process allows for the states . . . to conduct an inquiry at a sufficiently granular level to ensure that the customers in that area 'will continue to be served.'"

In the CPUC proceeding, AT&T failed to meet that standard. AT&T claims that it "demonstrated that there was at least one alternative ETC (and typically multiple alternative ETCs) designated to serve every wire center and census block in its California service territory."[77] But that showing does not meet the standard of granularity needed to ensure that all customers will continue to be served, as required by Section 214(e)(4) and discussed in *2015 USTelecom Forbearance Order*.[78] Pursuant to that statute, the CPUC conducted an evidentiary process to determine if all customers could continue to be served and it made a factual determination that AT&T failed to provide the evidence necessary to satisfy the statutory standard.

A. AT&T Overstated the Coverage of Many Fixed ETCs.

In both its Petition and the evidence it presented before the CPUC, AT&T relies on the same showing: "a mapping exercise involving points and polygons, such that if a 'point,' in this case, an AT&T Lifeline customer, is overlapped by a 'polygon,' in this case, the purported coverage area of a proposed replacement ETC, the requirement in 47 U.S.C. Section 214(e)(4) is met."[79] "In essence, AT&T and Dr. Israel conclude that a customer is 'served' by a replacement ETC if they live within the service area of that designated ETC, without additional confirmation or taking other factors into consideration."[80] That high-level analysis does not establish that any customer will

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[77] Petition at 4, citing Application of Pac. Bell Tel. Co. d/b/a AT&T Cal. (U 1001 C) To Relinquish Its Eligible Telecomms. Carrier Designation, A.23-03-002, at 5–7 & attach. A (C.P.U.C. filed Mar. 3, 2023).

[78] *2015 USTelecom Forbearance Order*, ¶ 111.

[79] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *33-34; *see also* Declaration of Sandra Charneski, ¶¶ 5-7.

[80] D.25-12-004 at *34. Dr. Israel was AT&T's witness in the CPUC proceeding.

actually be served, and it does not meet the standard for ETC relinquishment. Thus, AT&T overstated the coverage of alternative ETCs, treating the general description of an alternative ETC's service area as proof that every customer within the service area could be served by that ETC, without any further inquiry.[81]

In the CPUC proceeding, AT&T also misrepresented the service territory of some the alternative ETCs that it proposed to rely on. For example, AT&T and its attorneys stated repeatedly that ConnectTo could replace AT&T ETC service throughout AT&T's service territory, in all 616 wire centers.[82] However, after the evidentiary hearing, the CPUC determined that ConnectTo's service area was in fact limited to fewer than ten AT&T wire centers in Los Angeles County where ConnectTo is collocated with AT&T facilities.[83] This was one of several instances in which AT&T overstated the coverage of replacement ETCs. Thus, in the CPUC proceeding, AT&T has not demonstrated the conditions necessary for ETC relinquishment, and it makes no better showing here.

B. The CPUC Properly Discussed Limitations to Wireless ETCs' Abilities to Ensure Continued Service to All Customers.

AT&T's position in the CPUC proceeding—that a description of an ETC's entire coverage area should satisfy the need to ensure that all customers may continue to receive ETC service—is unpersuasive as applied to wireless ETCs, as the Commission has

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[81] D.25-12-004, at *31, *53.

[82] D.25-12-004, at *60-61 FOF 22.

[83] D.25-12-004, at *63-64 FOF 23.

previously recognized[84] and the CPUC found in D.25-12-004.[85] It is not enough to show the presence of a wireless ETC; a state commission must make a factual, localized inquiry into whether that ETC can actually serve all of the relinquishing ETC's Lifeline customers.[86]

As part of its factual inquiry, the CPUC noted several limitations of wireless service, just as the Commission has done.[87] For example, in the CPUC proceeding, AT&T relied on wireless coverage descriptions from the Commission's Mobile Broadband Map (as AT&T does again in this forbearance petition).[88] The CPUC accurately noted that, as the Commission itself states, its Mobile Broadband Map "reflect(s) where consumers should be able to connect to the mobile network when outdoors or in a moving vehicle; they do not show indoor coverage."[89] AT&T describes this as a new standard imposed by the CPUC.[90] It is not. It is one of the limitations of wireless coverage evidence; such limitations have been noted by the Commission.[91] The CPUC was therefore justified in requiring a more granular localized inquiry rather than

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[84] *2015 USTelecom Forbearance Order*, ¶¶ 115, 116, 118.

[85] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *64-68, Findings of Fact (FOF) 25, COL 5.

[86] *2015 USTelecom Forbearance Order*, ¶¶ 111, 115.

[87] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *51-53, *65-70.

[88] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *67.

[89] FCC Webpage, How to Use the FCC's National Broadband Map, available at https://help.bdc.fcc.gov/hc/en-us/articles/10467446103579-How-to-Use-the-FCC-s-National-Broadband-Map; *see also* D.25-12-004 at *67, FOF 24.

[90] Petition at 19.

[91] 2015 USTelecom Forbearance Order, ¶ 117.

relying on a high-level description of a wireless ETC's coverage area, just as the Commission has done.

C. Other States' ETC Relinquishment Proceedings Involved Minimal Customers; AT&T Caused Numerous Delays in the CPUC's Proceeding.

AT&T complains about the CPUC's extensive proceeding to consider ETC relinquishment, arguing that granting an ETC relinquishment should be "straightforward," as in other states where AT&T successfully relinquished its ETC status.[92] However, those states faced very different circumstances. In its Order on AT&T's ETC relinquishment, the Kentucky Public Service Commission noted that AT&T had only 111 Lifeline customers in the state; Ohio had only 133 Lifeline customers; and Arkansas had only 764 Lifeline customers.[93] Thus, these states could satisfy the statutory requirement to ensure all customers would continue to be served in a much more streamlined fashion than California, which had to account for tens of thousands of Lifeline customers as well as many other customers that benefit from universal service.

The CPUC proceeding also took longer than necessary due to AT&Ts own actions. AT&T first filed an incomplete application and then failed to support that

[92] Petition at 4.

[93] Kentucky Public Service Commission, *In re Electronic Petition of AT&T Kentucky for an Order Confirming the Relinquishment of Eligible Telecommunications Carrier Designation in Specified Areas*, Case No. 2021-00375 (Nov. 22, 2021) at 2; The Public Utilities Commission of Ohio, *In re Petition of AT&T Ohio Seeking to Relinquish Its Eligible Telecommunications Carrier Designation in the Remainder of Its Service Territory*, Case No. 21-917-TP-UNC (Nov. 3, 2021) at 3; Arkansas Public Service Commission, *In re Petition of Southwestern Bell Telephone Company for Order Confirming Relinquishment of Eligible Telecommunications Carrier Status Designation in Specified Areas*, Dkt No. 20-002-U (Apr. 30, 2022) at 3.

application with the required evidence, despite numerous requests from the administrative law judge.[94] AT&T cannot complain about the duration of the CPUC proceeding, when it repeatedly failed to provide the information needed for the CPUC to determine ETC relinquishment.

VI. AT&T SEEKS TO ABANDON UNIVERSAL SERVICE.

The request to relinquish ETC authority is contrary to federal and state universal service objectives. The ETC designation is a license for service providers to potentially receive millions of dollars from the federal government, in exchange for helping low-income and rural Americans receive higher-quality and more affordable service. Relinquishing ETC status means leaving these substantial and ongoing monies on the table that are ready and waiting to serve rural and low-income customers. In California alone, there are millions of households that are eligible for Lifeline, meaning that AT&T's full participation in this program could net tens, if not hundreds of millions, of dollars annually – all in the service of California's rural and low-income customers. Instead, AT&T seeks to leave these funds on the table.

Further, AT&T has sought to accelerate shedding its Lifeline customers by refusing to offer Lifeline support for its other services. Specifically, AT&T – at any point in time – could participate fully in the federal Lifeline Program by making the subsidy available to lower the cost of its AP-A service,[95] its internet services, and its

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[94] D.25-12-004, 2025 Cal. PUC LEXIS 579, at *4-5, *39-40, *42, *62.

[95] *See* Petition at 22-23.

mobile wireless services. Therefore, program participation rates should be considered in the context of AT&T's decisions to chill participation by making Lifeline eligible solely for its POTS customers. Full participation in these programs does not just make fiscal sense, it is fundamental to the success and achievement of our federal and state universal service objectives by helping low-income households afford service, and for providing higher-quality, more reliable, and more affordable service in rural communities.

VII. CONCLUSION

The Commission should deny AT&T's Petition. AT&T's bears the burden of proving all three statutory forbearance criteria are satisfied. It has not met that burden. AT&T has failed to provide granular evidence the Commission precedent requires to demonstrate that remaining ETCs can serve all affected customers.

The relief that AT&T seeks, permanent, unconditional forbearance from all ETC obligations across California is extraordinary. It would strip hundreds of thousands of customers, including approximately 40,000 Lifeline customers, of the universal service protections Congress established without ensuring that another provider will assume those obligations. The consequences would fall hardest on the vulnerable populations universal service is intended to protect.

Nor does AT&T's modernization rationale withstand scrutiny. AT&T itself has represented that it is already capable of providing advanced services to all affected customers. And by attempting to obtain ETC relinquishment by relabeling it as forbearance, AT&T seeks to bypass the evidentiary process Congress expressly delegated to state commissions, a process that the CPUC is currently carrying out.

The Petition should therefore be denied. At a minimum, the Commission should require AT&T to provide detailed marketplace and customer-level evidence before considering the extraordinary relief AT&T seeks.

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