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

REPLY 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 reply 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). The CPUC reiterates that the Federal Communications Commission (Commission or FCC) should deny the Petition. The CPUC will not reply to every point made in opening comments, and silence as to any particular point does not indicate agreement.

II. AT&T's ETC OBLIGATIONS DO NOT PREVENT IT FROM MODERNIZING ITS NETWORK.

Both USTelecom[1] and the Advanced Communications Law and Policy Institute (ACLP)[2] argue that AT&T's ETC obligations somehow prevent AT&T from retiring plain old telephone service" ("POTS") and modernizing its network.[3] This argument has no basis in statute, regulation or fact. Federal ETC obligations are technology neutral. There is nothing in the Communications Act, the statute governing ETC obligations (47 U.S.C. Section 214(e)) or Commission rules or regulations that requires that ETC obligations be delivered via POTS or any technology. AT&T's ETC obligations do not

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[1] Comments of USTelecom – The Broadband Association, WC Dkt. No. 26-123 (filed July 7, 2026) ("USTelecom Comments") at 7, 10.

[2] Comments Regarding AT&T Services, Inc.'s Petition for Forbearance From ETC Requirements, WC Dkt. No. 26-123 (filed July 7, 2026) ("ACLP Comments") at 10.

[3] *See also* Petition at 7.

prevent it from modernizing its network because nothing is stopping AT&T from fulfilling its ETC obligations using fiber or any other modern technology.

A. AT&T Could Fulfill Its ETC Obligations with Modern Technology.

AT&T claims that, for some undisclosed reason, it *must* meet its ETC obligations with POTS service.[4] USTelecom adopts this reasoning and claims that ETC obligations "force carriers to maintain legacy infrastructure, and thereby divert broadband network investment, where reasonable substitutes are available."[5] However, neither AT&T, nor USTelecom, provide any reason why a carrier cannot meet its ETC obligations using modern technology, rather than legacy infrastructure. If AT&T ties its ETC obligations to legacy infrastructure, that is a choice that AT&T makes; it is not imposed by any regulation, federal or state. Nor is it imposed by any technological limitations.

Indeed, in its applications under 47 U.S.C. § 214(a) to discontinue residential 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.[6] In its forbearance petition AT&T stated that it announced discounted AP-A offerings for existing customers in those areas.[7] Moreover, in a related CPUC proceeding, AT&T has acknowledged that it already provides basic voice service to

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[4] Petition at 7: "AT&T meets those [ETC] obligations with POTS."

[5] USTelecom Comments at 7-8.

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

[7] Petition at 22-23.

thousands of customers over fiber lines.[8] Thus, despite USTelecom's claims, based on what AT&T itself states, AT&T and any other carrier could fulfill its ETC obligations with fiber or any other modern technology. AT&T's ETC status does not impede network modernization, and network modernization does not require abandoning ETC obligations.

B. The *Network Modernization Order* Provides No Support for Removal of ETC Obligations.

Both USTelecom and ACLP incorrectly claim that the recent *Network Modernization Order* supports AT&T's request for forbearance of ETC obligations. USTelecom claims that the "*Network Modernization Order* reaffirmed that freeing providers from aging-copper obligations promotes high-speed infrastructure deployment;"[9] and that ETC forbearance "will allow AT&T 'to invest more resources toward modernizing' its network so that consumers 'can access more advanced communications services.'"[10] Similarly, ACLP quotes the *Network Modernization Order*: "if a carrier wants to seek Commission discontinuance authorization for a legacy voice service but that carrier believes that a state requirement prevents it from doing so, the carrier may opt to seek a determination from the Commission that the state

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[8] 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>.

[9] USTelecom Comments at 10 (citations omitted).

[10] USTelecom Comments at 10, quoting *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*"), ¶ 2.

requirement is preempted."[11] According to ACLP "[h]ere, failure to remove the ETC obligations for AT&T in California will frustrate its ability to 'complete its network modernization' in the state."[12]

Again, both USTelecom and ACLP incorrectly state that AT&T's ETC obligations somehow prevent it from continuing its network modernization. Again, neither commenter provided any reason why AT&T cannot fulfill its ETC obligations using modern technology, as AT&T already has in many circumstances.[13] Thus, their citations to the *Network Modernization Order* make no sense. While it is true that the *Network Modernization Order* expressed support for removal of legacy infrastructure so that providers could devote resources to more modern technology,[14] this has nothing to do with ETC obligations.

In fact, the *Network Modernization Order* clearly stated that all its discussion about the removal of a state commission's mandates is relevant only to discontinuance authorizations pursuant to 47 U.S.C. Section 214(a).[15] The *Network Modernization Order* does not speak to ETC obligations at all.[16] Thus, ACLP's reliance on the *Network Modernization Order* for preemption of state requirements[17] is inapt in two ways: 1) ETC

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[11] ACLP Comments at 9, quoting *Network Modernization Order*, ¶ 115.

[12] ACLP Comments at 9, quoting Petition at 7.

[13] *See* supra, n.8.

[14] USTelecom Comments at 10, citing Network Modernization Order, ¶¶ 1-2, 82; ACLP Comments.

[15] *Network Modernization Order,* ¶¶ 106, 110-114.

[16] *Network Modernization Order,* ¶ 109; *see also* Comments of The Utility Reform Network, Rural County Representatives of California and California Alliance for Digital Equity, WC Dkt. 26-123 (July 7, 2026) ("Joint Commenters Comments") at 6-7.

[17] ACLP Comments at 9, quoting *Network Modernization Order,* ¶ 115.

obligations are not state requirements, they are *federal requirements*; and 2) these federal requirements have nothing to do with Section 214(a) discontinuance.

In the *Network Modernization Order*, the Commission also considered a proposal to forbear from "section 214(a) discontinuance requirements as a general matter," but determined that such broad forbearance was not in the public interest.[18] Among other reasons, the Commission found that general forbearance from Section 214(a) would mean that "the Commission would not be able to confirm the availability of an adequate replacement service for the affected customers, including in instances where a provider may be relying on 'not-yet-deployed technologies,' particularly in less economically attractive locations."[19] For similar reasons, the Commission should not grant forbearance from AT&T's ETC obligations, as it will omit the process, required by Section 214(e)(4), whereby a state commission must "ensure that all customers served by the relinquishing carrier will continue to be served."

III. FORBEARANCE FROM ETC OBLIGATIONS REQUIRES GRANULAR EVIDENCE THAT CUSTOMERS WILL CONTINUE TO BE SERVED.

USTelecom urges forbearance of AT&T ETC obligations because "*virtually all* serviceable locations have access to fixed broadband service or mobile wireless voice service from a nationwide mobile wireless service provider."[20] Similarly, ACLP claims that the Commission should grant ETC forbearance because "[e]ven though AT&T

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[18] *Network Modernization Order,* ¶¶ 79, 82.

[19] *Network Modernization Order,* ¶ 83 (citations omitted).

[20] USTelecom Comments at 8-9, citing Declaration of Sandra Charneski, ¶¶ 14-15.

already met the statutory criteria for relief, notably a showing that other ETCs were available in the areas where it sought forbearance, the California PUC denied AT&T's request."[21] Neither USTelecom nor ACLP apply the correct statutory standard for a carrier seeking to relinquish ETC obligations. The standard set by the Communications Act that a state commission must meet is "to ensure that *all customers* served by the relinquishing carrier will continue to be served."[22]

Thus, ACLP is incorrect in positing that the standard for ETC relinquishment is that "other ETCs were available in the areas" and USTelecom is incorrect that the standard is that "*virtually all* serviceable locations have access to fixed broadband service or mobile wireless voice service." The standard required for ETC relinquishment, pursuant to Section 214(e)(4) is a more granular analysis than merely ascertaining that there are other ETCs in the area. A state commission must *ensure that all customers* will continue to be served by another ETC.

The Commission has confirmed that ETC relinquishment required a state commission "to conduct an inquiry at a sufficiently granular level to ensure that the customers in that area 'will continue to be served.'"[23] As the Commission further states, "[t]he 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

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[21] ACLP Comments at 9.

[22] 47 U.S.C § 214(e)(4) (emphasis added).

[23] *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 (rel. Dec. 28, 2015) ("*2015 USTelecom Forbearance Order*"), ¶ 111.

to take on additional consumers . . ."[24] This directly contradicts ACLP's proposed standard that ETC relinquishment be allowed simply when "other ETCs were available in the areas."[25] The Commission has likewise confirmed that "a detailed marketplace evaluation is needed to assess the effects of unconditional forbearance from Lifeline voice obligations. . . ."[26] Thus, both USTelecom and ACLP apply incorrect standards for ETC relinquishment and/or forbearance of ETC obligations. As discussed in our opening brief, AT&T did not demonstrate the standard for ETC relinquishment and it does not demonstrate the standard for forbearance of ETC obligations.[27]

IV. AS REQUIRED BY THE COMMUNICATIONS ACT, STATE COMMISSIONS PLAY AN IMPORTANT ROLE IN ENSURING UNIVERSAL SERVICE.

In their Comments, The Utility Reform Network, Rural County Representatives of California and California Alliance for Digital Equity (together "Joint Commenters") discuss the role assigned to state commissions by the Communications Act at 47 U.S.C. Section 214(e)(4).[28] Section 214(e)(4) assigns to state commissions the task of determining if the standard for ETC relinquishment "to ensure that all customers served by the relinquishing carrier will continue to be served" is met.

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

[25] ACLP Comments at 9.

[26] *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd. 3962 ("*2016 Lifeline Order*") , ¶ 332, citing *2015 USTelecom Forbearance Order*, ¶ 122-23.

[27] 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, WC Dkt. No. 26-123 (July 7, 2026), Secs. III, V.

[28] Joint Commenters Comments at 2-4.

Joint Commenters also discuss how Commission orders demonstrate that the Commission does not intend that Lifeline-only ETCs can be full replacements to relinquishing ETC providers with full ETC designation.[29] The Commission justified its forbearance authority in creating Lifeline-only reseller ETCs by finding "the statutory goal of providing telecommunications access to low-income consumers outweighs the requirement that TracFone own facilities, where TracFone, should it be designated an ETC, will be eligible only for Lifeline support."[30] Joint Commenters discuss that the Commission does not intend these Lifeline-only ETCs to provide full ETC services, such as the service area general telephony obligation.[31] Thus, in its role deciding ETC relinquishment, the CPUC correctly found that Lifeline-only ETCs cannot be adequate replacements for an ETC with full ETC obligations.[32] AT&T might argue that it no longer has this general telephony obligations for a large portion of its service territory, as the Commission has already provided forbearance for it.[33] However, this forbearance is *conditional*,[34] and there are still portions of AT&T's service territory where it still has

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[29] Joint Commenters Comments at 4-6.

[30] Joint Commenters Comments at 5, quoting *Federal-State Joint Board on Universal Service, et al.*, CC Dkt. No. 96-45, Order, FCC 05-165 (rel. Sep. 8, 2005), ¶ 6, fn. 23.

[31] Joint Commenters Comments at 6, citing 47 U.S.C. § 214(e)(5), 47 C.F.R. § 54.207(b), and *Telecommunications Carrier Eligible for Support et al.*, WC Dkt. No. 09-197 et al., Memorandum Opinion and Order, FCC 13-44 (Apr. 15, 2013), ¶¶ 7, 8.

[32] Joint Commenters Comments at 4, 6; *see also* CPUC Decision (D.)25-12-004, 2025 Cal. PUC LEXIS 579 ("D.25-12-004"), Sec. 6.4; *see cf.* Petition at 20.

[33] Petition at 11, citing *Connect America Fund*, Report and Order, 29 FCC Rcd. 15644, 51, 55, 61 (2014) ("*2014 CAF Order*"), ¶ 51.

[34] *2014 CAF Order*, ¶ 61.

general telephony ETC obligations.[35] Of course it would be inappropriate to consider Lifeline-only ETCs as adequate alternatives in those areas where AT&T still has general telephony ETC obligations. It is also inappropriate to convert conditional forbearance of general telephony obligations into permanent, unconditional forbearance, based on the presence of Lifeline-only ETCs.

V. CONCLUSION

In addition to the comments discussed in these reply comments, there are hundreds of express comments in this docket, almost all of them expressing reliance on AT&T's ETC obligations and opposing the forbearance petition. This overwhelming opposition to the ETC forbearance petition parallels the public comments received by the CPUC during its ETC relinquishment proceeding, where "1457 public comments were submitted to the Docket Card. The overwhelming majority of commentors appear to oppose AT&T's Application, as they express apprehension over losing their AT&T landline service . . ."[36]

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 to the Commission, where statute and precedent require it to demonstrate that remaining ETCs can serve all affected customers. For the reasons discussed in our Opening Comments and above, the Commission should deny AT&T's Petition.

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[35] Petition at 7, 28.

[36] D.25-12-004, 2025 Cal. PUC LEXIS 579 at *81.

Respectfully submitted,

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