



San Mateo County Bill Analysis Form

Date Submitted: June 18, 2024
Submitted Department: County Executive's Office
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Reviewed and Approved by County Attorney
 Yes No

Reviewed and Approved by County Executive
 Yes No N/A

Assembly Bill 2797 Assemblymember McKinnor, District 61, Carriers of Last Resort

Version Date: January 9, 2024
 New bill Amended Bill Gut & Amend

Recommended Position
 Sponsor Support
 Support, if Amended, Oppose
 Other - Supervisors Muller and Slocum requested the Board oppose this measure.

Summary

Assembly Bill (AB) 2797 (McKinnor) would authorize a telecommunications service provider to withdraw from certain Carrier of Last Resort (COLR) obligations if a prescribed notice is given to the California Public Utilities Commission (CPUC).

recently gutted and amended to address CPUC's oversight of carriers' COLR obligations.

Background/Analysis

Under state law, a COLR is a telecommunications service provider that provides basic telephone service, typically in the form of "Plain Old Telephone Service" (POTS) (i.e., landline phone service), to any customer requesting such service within a specified area. These rules ensure at least one telephone company in a specified area provides access to telephone service to anyone in its service territory who requests it, giving residents safe, reliable, and affordable telephone service.

Challenge

AB 2797 would allow any provider to relieve itself of COLR obligations within particular census tracts by sending notice to the CPUC stating either (1) that it currently has no customers or there is no population in a census block it serves, or (2) for urban census blocks, that two or more alternative providers offer comparably priced voice services to customers in that census block.

State regulations allow carriers to opt out of their COLR obligations when another provider opts to provide and assume responsibility for COLR service. In March 2023, AT&T requested to be relieved of its COLR obligations in areas throughout the state, including in many parts of San Mateo County.

This bill would circumvent the CPUC's current review and approval process and allow COLRs to self-determine if they must provide services in a given census tract, independent of public oversight and without the safeguards to guarantee alternative COLR coverage.

On June 20, 2024, the CPUC rejected AT&T's request to withdraw as a COLR. The CPUC noted that AT&T's application did not meet the CPUC's withdrawal requirements, as no potential alternative COLR agreed to assume AT&T's service obligations. The Commission also voted to initiate a new Rulemaking process to address COLR telecommunications service obligations. Responding to recent CPUC action, AT&T is working with Assemblymember McKinnor to sponsor AB 2797, which was

The bill does not require that any alternative service provider be currently operational in the specific areas, nor does it require alternative providers to offer COLR services to all residents. In addition, the bill does not impose reliability requirements for alternative voice service providers, such that VoIP or cellular service could be considered a substitute for POTS. This may leave residents with no coverage, partial coverage, or less reliable wireless service alternatives.

Moreover, the bill redefines affordable alternative voice services under COLR regulations and allows for increased costs. Without a defined COLR, San Mateo County residents may be unable to access reliable and affordable basic landline telephone services like free 9-1-1 and discounted service rates through the federal Lifeline program. Additionally, these allowances will lead to higher costs for vulnerable residents who will likely need to purchase

additional service bundles to receive basic telephone service.

AT&T notes that it is sponsoring AB 2797 to assist California residents in transitioning to high-speed internet. It cites the CPUC's decision to deny its application as a four- to five-year delay to prevent vulnerable communities from accessing more modern services.

Recommended Solution

Adopting a resolution to oppose AB 2797 would align with the County's 2024 Legislative Platform and previous advocacy opposing AT&T's application to the CPUC and prevent these detrimental changes to COLR regulations.

Departments Impacted

- **Department of Emergency Management-** Withdrawing COLR protections may negatively impact telephone communications for public safety and make emergency response in affected areas more difficult. Residents who cannot afford bundled service options may have severely limited 911 service due to a lack of coverage.
- **Public Safety Communications**

Fiscal Impact

AB 2797 would have no direct fiscal impact on the County of San Mateo. However, losing affordable and accessible telephone service carrier obligations may necessitate future County telecommunications infrastructure investments.

Support

AT&T (Sponsor)

Opposition

California State Association of Counties
Urban Counties of California
Rural County Representatives of California

Status

6/10/24—Amended