



City of Grass Valley City Council Agenda Action Sheet

Title: Opposition to Pacific Bell Telephone Company d/b/a AT&T California amended application for targeted relief from its Carrier of Last Resort obligation and certain associated tariff obligations.

CEQA: Not a Project.

Recommendation: That Council approve the letter and authorize the Mayor to sign and submit it to the California Public Utilities Commission.

Prepared by: Timothy M. Kiser, City Manager

Council Meeting Date: March 12, 2024

Date Prepared: March 5, 2024

Agenda: Administrative

Background Information: AT&T, as a designated "Carrier of Last Resort" (COLR), is obligated to furnish "Plain Old Telephone Service" (POTS), commonly known as landline phone service, upon request to both residential and business customers. POTS adheres to a standardized set of minimum service criteria and regulatory measures, which do not extend to emerging technologies offering similar services, such as wireline Voice Over Internet Protocol (VoIP).

While the transition of COLR designation from one company to another is not unprecedented, AT&T has recently filed two applications with the California Public Utilities Commission (CPUC), seeking relief from its responsibilities as a COLR and an Eligible Telecommunications Carrier (ETC). These designations play a crucial role in providing essential telephone communication services to residents across the City and Nevada County.

Approval of AT&T's applications by the CPUC could potentially expose our community to significant risks, including threats to public health and safety, as well as the affordability of communication services. As per CPUC's Universal Service rules, carriers have the option to relinquish their COLR status when another designated COLR assumes service responsibilities. However, AT&T's application deviates from this norm by seeking relief for over 99% of its service territory statewide, without proposing a replacement COLR. Additionally, AT&T's application seeks expedited approval for future relief through a CPUC Tier 1 Advice Letter process, bypassing the usual CPUC approval process.

If granted, AT&T could terminate service to its POTS customers within as little as six months, leaving tens of thousands of customers in Nevada County with limited or no alternative options in terms of choice, quality, and affordability. It's crucial to note that alternative services like VoIP and wireless are not obligated to serve customers or provide equivalent services to AT&T landline customers, including reliable access to emergency services like 9-1-1 or program discounts.

Therefore, the staff respectfully requests the Grass Valley City Council's approval to issue an attached Letter of Opposition to Pacific Bell Telephone Company, also known

as AT&T California, regarding their amended application for targeted relief from their Carrier of Last Resort obligation and associated tariff obligations. This authorization would empower the Mayor to execute and submit the letter to the CPUC, advocating for the protection of essential communication services within our community.

Council Goals/Objectives: The execution of this action attempts to achieve Strategic Goal #5 - High Performance Government and Quality Service.

Fiscal Impact: There is no Fiscal Impact of improving the proposed letter.

Funds Available: N/A

Account #: N/A

Reviewed by: Tim Kiser, City Manager

Attachments: Letter of Opposition