An act to add Section 711 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL’S DIGEST

AB 2395, as amended, Low. Telecommunications: replacement of public switched telephone network.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law, until January 1, 2020, prohibits the commission from regulating Voice over Internet Protocol and Internet Protocol enabled service (IP enabled service), as defined, except as required or delegated by federal law or expressly provided otherwise in statute.

This bill would require a telephone corporation that is transitioning to IP enabled services and networks to complete a customer education and outreach program before seeking to withdraw traditional circuit-switched and other legacy telephone services. The education and outreach program would be required to explain the transition from legacy public switched telephone network services regulated by the commission to IP enabled services, the benefits and advantages of IP enabled services, a description of the advanced services available to consumers, and information regarding the projected timeframes for the
transition, including that withdrawal of any voice grade single-line telephone service will not take place prior to January 1, 2020. The bill would prohibit a telephone corporation from withdrawing any voice grade single-line circuit-switched legacy telephone services without first giving notice, as specified, to any customer that would be affected by the planned discontinuance. The bill would require the telephone corporation, upon giving the required notice to customers, to give notice to the commission certifying (1) that the telephone corporation has completed the education and outreach program, and (2) that an alternative voice service is available for the affected customers in the affected area. The bill would require the commission to confirm that the replacement service has specified elements. Upon completion of these steps, but no sooner than January 1, 2020, the bill would authorize a telephone corporation to elect to discontinue legacy telephone service upon providing not less than 90-days’ notice to the affected customers and to the commission, as specified. The bill would authorize a customer of the telephone corporation, within 60 days after receipt of the notice of withdrawal of legacy voice service, to request in writing that the commission review the availability of the alternative service at the customer’s location. The bill would require the commission to review and resolve the customer’s request within 60 days of receipt of the request. The bill would authorize the commission, if it determines after investigation that no alternative service is available to that customer at the customer’s location, to order the withdrawing telephone corporation to provide voice service to the customer for a period no longer than 12 months after withdrawal. If an order to continue to provide voice service to a customer is issued, the bill would require the commission to evaluate whether an alternative service has become available for the customer during the period the order is in effect and if an alternative service meeting specified requirements does not become available, would require the commission to order the withdrawing telephone corporation to continue to provide voice service to the affected customer until an alternative service is available at the customer’s location.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these
provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.


_The people of the State of California do enact as follows:_

1. **SECTION 1.** The Legislature finds and declares all of the following:

   (a) California continues to be the world’s advanced technology leader, the center of the innovation economy, and a pioneer in clean and sustainable technology. The state must adopt a strategy to build our digital infrastructure while retiring outdated technology. The transition from 20th century traditional circuit-switched and other legacy telephone services to 21st century next-generation Internet Protocol (IP) networks and services is taking place at an extraordinary pace. A significant majority of Californians have already transitioned to upgraded communications services such as high-speed Internet, Voice over Internet Protocol (VoIP), and mobile telephony services.

   (b) Between 1999 and 2015, California witnessed an estimated 85 percent decline in landlines providing legacy telephone services and relying on dated technology. At the same time, consumer adoption of advanced services over IP-based networks has continued to grow. Californians have quickly adopted new technologies to communicate. More than 9 out of 10 Californians use a smartphone or other mobile devices, 86 percent use the Internet, and there are over 5.7 million VoIP subscriptions. As of 2014, approximately 6 percent of Californians resided in households with only a landline, a 44 percent decline from 2010.

   (c) So many California consumers have made this transition so quickly because IP-based services offer greater functionality than legacy phone service. The gap will only widen with the continuing integration of IP networks with cloud computing and the Internet of Things. The policy of the state is to help all Californians
transition to advanced technologies and services so that everyone, including low-income, senior, and rural communities, can benefit from and participate fully in 21st century modern life.

(d) The legacy telephone network is underutilized.

(e) (1) This act will establish state policy for a clearly communicated, planned, and orderly transition to advanced technologies, so that continuity of service for consumers and businesses is ensured, while maintaining safeguards to preserve universal connectivity.

(2) This act will ensure that the alternative services replacing legacy services provide quality voice service and access to emergency communications as part of a 21st century policy framework.

(3) This act will ensure that alternative services are available to replace legacy services before the transition, so that all Californians are able to benefit from the opportunities presented by advanced technologies and services.

SEC. 2. Section 711 is added to the Public Utilities Code, to read:

711. (a) Before seeking to withdraw traditional circuit-switched and other legacy telephone services pursuant to this section, a telephone corporation transitioning to IP-enabled services and networks shall complete a customer education and outreach program explaining the IP transition, its benefits and advantages, which may include environmental benefits and advantages, and a description of the advanced services available to consumers. The customer education and outreach program shall also include information regarding the projected timeframes for the transition, including the fact that the withdrawal of any voice grade single-line telephone service will not take place prior to January 1, 2020.

(b) A telephone corporation planning to discontinue any voice grade single-line circuit-switched legacy telephone service shall first give prior notice to any customer that would be affected by the planned discontinuance. The notice to the customer shall include information regarding the projected timeframe for the discontinuance of legacy voice service and specify the alternative service or services that will be available to the customer after the withdrawal. The notice to the customer shall also state that, pursuant to subdivision (e), the telephone corporation will provide 90-days’ prior notice before legacy voice service is withdrawn.
and, if applicable, that legacy voice service will not be withdrawn sooner than January 1, 2020. Upon giving notice to customers, the telephone corporation shall provide notice to the commission certifying both of the following:

1. The telephone corporation has completed the education and outreach program prescribed in subdivision (a).
2. An alternative voice service is available for the affected customers in the affected area.

(c) Upon receipt of the notice to withdraw, the commission shall confirm that the alternative service has all of the following elements:
1. Voice grade access to the public switched telephone network or its successor.
2. Real-time, two-way voice communications.
3. Access for end users of those services to the local emergency telephone systems described in the Warren-911-Emergency Assistance Act (Article 6 (commencing with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code), and where available, enhanced 911 access.
4. Alternative services requiring a residential power supply to operate are in compliance with the backup-battery capability standards established by the Federal Communications Commission.

(d) The commission’s confirmation process shall be limited to the determination of whether the alternative service has the elements set forth in subdivision (c) and shall be completed within 120 days from receipt of notice from the telephone corporation pursuant to subdivision (b). If the commission fails to complete its technical review within 120 days from receipt of notice, the telephone corporation will be conclusively presumed to have complied with the requirements of subdivisions (b) and (c).

(e) Upon completion of the requirements of subdivisions (b), (c), and (d) for voice grade single-line circuit-switched legacy telephone services, but no sooner than January 1, 2020, a telephone corporation may elect to discontinue any legacy telephone service, upon giving no less than 90-days’ prior notice to the affected customers and to the commission. If the discontinuance of legacy telephone service includes voice grade single-line services, the notice shall include information regarding the availability of an alternative service as confirmed by the commission and how to seek commission review if the customer believes the alternative
service is not available at the customer’s location. During the notice period, the telephone corporation shall continue to provide the legacy telephone service to the affected customers, except a customer that disconnects or changes the features of the service, but shall have no obligation to provide the legacy telephone service to any new customers in the affected area.

(f) Within 60 days after receipt of a telephone corporation’s notice of withdrawal of legacy voice service, a customer may request in writing that the commission review the availability of the alternative service at the customer’s location. The commission shall review and resolve the customer’s request within 60 days of receipt of the request. The commission’s review shall be limited to determining whether an alternative service that has the elements set forth in subdivision (c) is available to the customer at that customer’s location. If the commission determines that an alternative service is not available to the customer at the customer’s location, the commission—may shall order the withdrawing telephone corporation to provide voice service to the customer at the customer’s location for a period no longer than 12 months after withdrawal. The withdrawing telephone corporation may utilize any technology or service arrangement to provide the voice services as long as it meets the requirements of subdivision (c).

(g) If an order to continue to provide voice service to a customer is issued pursuant to subdivision (f), during the period in which the withdrawing telephone corporation is required to provide voice service, the commission shall evaluate whether an alternative service has become available for the customer that is the subject of the order. If an alternative service meeting the elements of subdivision (c) does not become available during the period of the order, the commission—may shall order the withdrawing telephone corporation to continue to provide voice service to the affected customer until an alternative service is available at the customer’s location. The withdrawing telephone corporation may utilize any technology or service arrangement to provide the voice service as long as it meets the requirements of subdivision (c).

(h) Nothing in this section grants the commission jurisdiction or control over an alternative service except as specifically set forth in this section.

(h) The commission’s duty to conduct a confirmation process pursuant to subdivision (c) and respond to a customer inquiry
pursuant to subdivision (f) is pursuant to its jurisdiction over legacy
service and does not grant the commission jurisdiction or control
over an alternative service.

(i) Nothing in this section affects a telephone corporation’s
ability to withdraw services under any other law.

(j) Nothing in this section affects or changes the commission’s
authority to implement and enforce Sections 251 and 252 of the
251 and 252), including, but not limited to, the authority to arbitrate
and enforce interconnection agreements pursuant to Section 252(b).

(k) Nothing in this section affects or changes the obligations of
an incumbent local exchange carrier pursuant to Sections 251 and
252 of the federal Communications Act of 1934, as amended (47
U.S.C. Secs. 251 and 252). For these purposes, “incumbent local
exchange carrier” is defined as in subsection (h) of Section 251 of
Title 47 of the United States Code.

SEC. 3. No reimbursement is required by this act pursuant to
Section 6 of Article XIIIB of the California Constitution because
the only costs that may be incurred by a local agency or school
district will be incurred because this act creates a new crime or
infraction, eliminates a crime or infraction, or changes the penalty
for a crime or infraction, within the meaning of Section 17556 of
the Government Code, or changes the definition of a crime within
the meaning of Section 6 of Article XIII B of the California
Constitution.