

AMENDED IN ASSEMBLY MAY 16, 2016  
AMENDED IN ASSEMBLY APRIL 20, 2016  
AMENDED IN ASSEMBLY MARCH 17, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2395**

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**Introduced by Assembly Member Low**

February 18, 2016

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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 prior ~~notice~~ *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 ~~30~~ 60 days after receipt of the notice of withdrawal of legacy voice ~~service~~ *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 ~~authorize~~ *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.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

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

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6 to build our digital infrastructure while retiring outdated  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

14 (b) Between 1999 and 2015, California witnessed an estimated  
15 85 percent decline in landlines providing legacy telephone services  
16 and relying on dated technology. At the same time, consumer  
17 adoption of advanced services over IP-based networks has  
18 continued to grow. Californians have quickly adopted new  
19 technologies to communicate. More than 9 out of 10 Californians  
20 use a smartphone or other mobile devices, 86 percent use the  
21 Internet, and there are over 5.7 million VoIP subscriptions. As of  
22 2014, approximately 6 percent of Californians resided in  
23 households with only a landline, a 44 percent decline from 2010.

24 (c) So many California consumers have made this transition so  
25 quickly because IP-based services offer greater functionality than  
26 legacy phone service. The gap will only widen with the continuing  
27 integration of IP networks with cloud computing and the Internet  
28 of Things. The policy of the state is to help all Californians

1 transition to advanced technologies and services so that everyone,  
2 including low-income, senior, and rural communities, can benefit  
3 from and participate fully in 21st century modern life.

4 (d) The legacy telephone network is underutilized.

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

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

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

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

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

31 (b) A telephone corporation planning to discontinue any voice  
32 grade single-line circuit-switched legacy telephone service shall  
33 first give prior notice to *any customer that would be affected by*  
34 *the planned discontinuance. The notice to the customer shall*  
35 *include information regarding the projected timeframe for the*  
36 *discontinuance of legacy voice service and specify the alternative*  
37 *service or services that will be available to the customer after the*  
38 *withdrawal. The notice to the customer shall also state that,*  
39 *pursuant to subdivision (e), the telephone corporation will provide*  
40 *90-days' prior notice before legacy voice service is withdrawn*

1 *and, if applicable, that legacy voice service will not be withdrawn*  
2 *sooner than January 1, 2020. Upon giving notice to customers,*  
3 *the telephone corporation shall provide notice to the commission*  
4 *certifying both of the following:*

5 (1) The telephone corporation has completed the education and  
6 outreach program prescribed in subdivision (a).

7 (2) An alternative voice service is available for the affected  
8 customers in the affected area.

9 (c) Upon receipt of the notice to withdraw, the commission shall  
10 confirm that the alternative service has all of the following  
11 elements:

12 (1) Voice grade access to the public switched telephone network  
13 or its successor.

14 (2) Real-time, two-way voice communications.

15 (3) Access for end users of those services to the local emergency  
16 telephone systems described in the Warren-911-Emergency  
17 Assistance Act (Article 6 (commencing with Section 53100) of  
18 Chapter 1 of Part 1 of Division 2 of Title 5 of the Government  
19 Code), and where available, enhanced 911 access.

20 (4) Alternative services requiring a residential power supply to  
21 operate are in compliance with the backup-battery capability  
22 standards established by the Federal Communications Commission.

23 (d) The commission's confirmation process shall be limited to  
24 the determination of whether the alternative service has the  
25 elements set forth in subdivision (c) and shall be completed within  
26 120 days from receipt of notice from the telephone corporation  
27 pursuant to subdivision (b). If the commission fails to complete  
28 its technical review within 120 days from receipt of notice, the  
29 telephone corporation will be conclusively presumed to have  
30 complied with the requirements of subdivisions (b) and (c).

31 (e) Upon completion of the requirements of subdivisions (b),  
32 (c), and (d) for voice grade single-line circuit-switched legacy  
33 telephone services, but no sooner than January 1, 2020, a telephone  
34 corporation may elect to discontinue any legacy telephone service,  
35 upon giving no less than 90-days' prior notice to the affected  
36 customers and to the commission. If the discontinuance of legacy  
37 telephone service includes voice grade single-line services, the  
38 notice shall include information regarding the availability of an  
39 alternative service as confirmed by the commission and how to  
40 seek commission review if the customer believes the alternative

1 service is not available at the customer's location. During the notice  
2 period, the telephone corporation shall continue to provide the  
3 legacy telephone service to the affected customers, except a  
4 customer that disconnects or changes the features of the service,  
5 but shall have no obligation to provide the legacy telephone service  
6 to any new customers in the affected area.

7 (f) Within ~~30~~ 60 days after receipt of a telephone corporation's  
8 notice of withdrawal of legacy voice service, a customer may  
9 request in writing that the commission review the availability of  
10 the alternative service at the customer's location. The commission  
11 shall review and resolve the customer's request within 60 days of  
12 receipt of the request. The commission's review shall be limited  
13 to determining whether an alternative service that has the elements  
14 set forth in subdivision (c) is available to the customer at that  
15 customer's location. If the commission determines that an  
16 alternative service is not available to the customer at the customer's  
17 location, the commission ~~may~~ shall order the withdrawing  
18 telephone corporation to provide voice service to the customer at  
19 the customer's location for a period no longer than 12 months after  
20 withdrawal. The withdrawing telephone corporation may utilize  
21 any technology or service arrangement to provide the voice services  
22 as long as it meets the requirements of subdivision (c).

23 (g) If an order to continue to provide voice service to a customer  
24 is issued pursuant to subdivision (f), during the period in which  
25 the withdrawing telephone corporation is required to provide voice  
26 service, the commission shall evaluate whether an alternative  
27 service has become available for the customer that is the subject  
28 of the order. If an alternative service meeting the elements of  
29 subdivision (c) does not become available during the period of the  
30 order, the commission ~~may~~ shall order the withdrawing telephone  
31 corporation to continue to provide voice service to the affected  
32 customer until an alternative service is available at the customer's  
33 location. The withdrawing telephone corporation may utilize any  
34 technology or service arrangement to provide the voice service as  
35 long as it meets the requirements of subdivision (c).

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

39 (h) *The commission's duty to conduct a confirmation process*  
40 *pursuant to subdivision (c) and respond to a customer inquiry*

1 *pursuant to subdivision (f) is pursuant to its jurisdiction over legacy*  
2 *service and does not grant the commission jurisdiction or control*  
3 *over an alternative service.*

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

6 (j) Nothing in this section affects or changes the commission’s  
7 authority to implement and enforce Sections 251 and 252 of the  
8 federal Communications Act of 1934, as amended (47 U.S.C. Secs.  
9 251 and 252), including, but not limited to, the authority to arbitrate  
10 and enforce interconnection agreements pursuant to Section 252(b).

11 (k) Nothing in this section affects or changes the obligations of  
12 an incumbent local exchange carrier pursuant to Sections 251 and  
13 252 of the federal Communications Act of 1934, as amended (47  
14 U.S.C. Secs. 251 and 252). For these purposes, “incumbent local  
15 exchange carrier” is defined as in subsection (h) of Section 251 of  
16 Title 47 of the United States Code.

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