

California Bill Allowing VOIP Transition Stalls, But Opponents Fear Revival

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A California bill allowing telecom providers to transition customers from wireline telephone service to Voice over Internet Protocol systems is now stalled in committee, but opponents fear the advocacy efforts of massive companies like AT&T could revive the legislation.

Lawmakers in the state Assembly's Appropriations Committee decided to hold Assembly Member Evan Low's A.B. 2395 without a vote last week, effectively killing the bill in this legislative session. The legislation would have opened the door for providers to transition people to the internet-based phone service by 2020, provided that the state's Public Utilities Commission could verify that alternative service is available in the area.

But the bill quickly attracted pushback from localities in rural areas of the state, claiming that power outages could leave large swaths of people without any access to phone service. When combined with the inconsistent cellphone service in these areas, many rural residents felt the legislation would leave them completely cut off, especially during emergencies.

"We don't have cell service, we don't have many payphones, so this new communication world may work in San Jose, but when the power goes out, it plunges a place like Sierra County back into the early 1900s as far as telecommunication service goes," Lee Adams, a county supervisor in Sierra County, California, and the immediate past chair of the Rural County Representatives of California, told StateScoop.

As a former law enforcement official, Adams also noted that his county's first responders still partially depend on "copper wire provided by AT&T" for their communications networks, and the legislation could have had adverse effects on those systems as well. Fundamentally, Adams fears that the bill's sponsor doesn't appreciate the issues the bill posed for rural communities, which could spur him to try to resurrect it in the future.

"Assembly Member Low, I'm sure he's well meaning for his constituency, but he's a legislator out of the Bay Area, and he is very well covered with wireless communication," Adams said.

Low's district does indeed cover much of the San Jose area, but he defends his experience in that area as showing him the value of these service advancements rather than blinding him to the needs of rural residents.

"My belief is this will incentivize our utility companies to invest in many of these rural areas and go with consumers," Low said. "We've heard a lot of people ask, 'Will we essentially be taking away plain old telephone service from grandma?' The answer is no."

The lawmaker stressed that the bill contains a provision requiring companies to study the impact of the IP changeover on emergency communication systems, and requires the state's utilities commission to verify that "alternative voice service" is available in areas where providers make the change.

"Certainly, we have some concerns with individuals saying, 'What about 911 service, or rural areas or our seniors,' and we want to make sure we have the necessary consumer protections in place," Low said. "Should no alternative service be available, individuals will be able to keep their phone service that they have. In addition, the regulatory agencies will help oversee these areas as well."

But Chris Mitchell, director of the community broadband initiative for the Institute for Local Self-Reliance, charges that while that language might "look reasonable" at first glance, it could have proved problematic. Specifically, he worries the utilities commission wouldn't have had any reliable resources to determine where alternative service was available for people affected by the switch.

"I feel like it's one of those things where the state legislature, they'll think, 'Oh, obviously they'll be able to know that,' but I don't generally know how you'd know that," Mitchell said. "We don't have good maps of either where broadband service is available or telephone service is available. Most of that data, the carriers themselves have it, and they've not been compelled to share it. They often will share it voluntarily and it's often inaccurate."

But Mitchell also worries that this effort is largely driven by telecom companies hoping to cut costs, rather than any desire to modernize the state's networks.

"They want the ability to stop serving the areas of lowest profitability, the highest cost areas," Mitchell said. "The fewer union people they can employ heading out in these rural areas, the more profitable AT&T will probably be, because the cost of doing wireless is so much less and it requires fewer people."

Accordingly, he sees AT&T as a pernicious force in the legislative process. He charges that the company "just owns the Legislature," effectively lobbying Democrats and Republicans alike.

Kathryn Ijams, a spokeswoman from the company's California division, called the company's support for the bill merely an attempt to "set the rules to responsibly manage the final stages of the customer transition to advanced IP-based communications over the coming years to ensure no one is left behind."

Records with the Secretary of State's office show the company spent more than \$750,000 lobbying lawmakers on bills in the first part of the 2016 session, including Low's legislation. Additionally, AT&T has contributed \$11,000 to Low's campaign since he was elected in 2014, according to data from the National Institute for Money in State Politics.

Low said that he's heard from telecom companies on the bill, but that he's also worked to amend it based on concerns from others as well.

"As we move through the process, we'll continue to have thoughtful conversations as it moves forward," Low said.

But with the legislation stalled in committee, the only way Low would be able to move it forward now would be through a procedural motion, Adams noted.

"It's not completely dead, but the chances of it being resurrected this session are pretty small," Adams said. "That certainly doesn't mean that it couldn't reappear in a future session, so we still remain concerned and arguments against it are still valid."

Low wouldn't say how he plans to address the legislative impasse, but Adams said his group will be keeping a close eye on the Legislature should the bill emerge once more.

"I'm sure we've not seen the last of this," Adams said.

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