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**Assembly
California Legislature**



**ASSEMBLY COMMITTEE ON
COMMUNICATIONS AND CONVEYANCE**
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OVERSIGHT HEARING

California Public Utilities Commission

Wednesday, March 11, 2026

State Capitol Room 437

1:30PM – 3:30PM

BACKGROUND

In recent years it has been the practice of this committee to exercise an oversight role of the California Public Utilities Commission (CPUC) by inviting a commissioner and senior management to testify in a public hearing at least once annually. This Committee's hearings complement the role of the Utilities & Energy Committee, which has primary jurisdiction over matters related to the CPUC. In the recent past, this committee's hearings have been structured to focus specifically on one policy area or program related to the committee's jurisdiction. For example, one of last year's hearings focused specifically on last-mile broadband programs administered by the CPUC and another was focused on transportation network companies (TNCs). This year's hearing is intended to take a wider view.

In the recent past, and especially last year, this committee has passed bills that raise questions about the administrative structure of telecommunications and broadband regulation in the state. For example, AB 693 (Boerner), AB 470 (McKinnor), and AB 1271 (Bonta) all raised policy considerations about the future of telecommunications regulation in the state and whether the CPUC was the most suitable agency to take on that work. Last year, this committee also authored AB 1532 which, in part, was intended to provide more oversight and accountability of the CPUC. As signed into law, that bill provides the Legislature with more granular data on the amount of time CPUC Commissioners spend on telecommunications policy proceedings and their attendance at CPUC hearings in general.

This year's hearing also comes at a time of leadership changes for the CPUC, as Governor Newsom recently appointed Commissioner John Reynold as President of the Commission. President John Reynolds was first appointed to the CPUC in December 2021. Additionally, the CPUC appointed a new Executive Director earlier this year. Given the changes in leadership, the time is right for this committee to take a wider view of the CPUC's performance and future.

HISTORY OF THE CPUC

The California Public Utilities Commission (CPUC) is a state constitutional-agency with the mission of ensuring that Californians have safe, reliable utility service at reasonable rates. The jurisdiction of the CPUC is derived both from the Constitution and the Public Utilities Code. The Constitution establishes that the CPUC exists as a 5-member commission, defines certain classes of corporations as public utilities, and vests the CPUC with certain powers and responsibilities over public utilities. The Public Utilities Code reaffirms the CPUC's authority over public utilities, including by defining telephone corporations as a public utility. The Public Utilities Code also contains statutory provisions relating to the administration and regulation of public utility regulatory programs, as well as administration and regulation of other classes of businesses such as cable television operators, charter-party carriers, and transportation network companies.

Today, the CPUC's telecommunications regulatory programs include service quality regulation of landline voice communications, rate regulation of a limited number of small telephone companies, administration of universal telecommunications service programs, cable video franchising, and also resiliency planning and oversight for wireless and wireline communications providers. Overall, the staff of the CPUC's Communications Division assists the Commission in developing and implementing policies to promote competition in all telecommunications markets and to address regulatory changes required by state and federal legislation.

CHANGING ROLES AND RESPONSIBILITIES OF THE CPUC

For much of the 20th Century, landline telephone (and telegraph before that) was the core telecommunications service. That essential telecommunications service was provided by a single monopoly company, American Telegraph & Telephone (AT&T). As the single provider, AT&T's operations, and rates, were subject to close oversight and regulation by the CPUC. Over the last 30 years as the telecommunications industry has grown and advanced, we now have a much different market landscape than what existed prior. For example, in today's world wireless voice service and home broadband service are prolific throughout the state; those services are provided by a range of providers in a competitive marketplace. Accordingly, the CPUC's roles and responsibilities have shifted over time, guided both by explicit statutory direction and the Commission's own initiative.

For example, the CPUC's historical rate making duties are now largely preempted by federal law, except for a limited number of small telephone companies serving isolated areas. While the CPUC continues to regulate other quality of service aspects of voice communications, it only recently extended regulatory oversight over "voice over internet-protocol" (VoIP) service. Under its own initiative, the CPUC is also currently considering extending its regulatory jurisdiction to include service quality of wireless voice communications and broadband services. While the Legislature has not specifically directed the CPUC to adopt such service quality regulations for wireless voice or broadband service, certain parties have argued that extending regulation to those services is aligned and within the CPUC's existing statutory duties and is in the public interest.

While the CPUC does have broad authority to act under its own initiative to regulate public utilities, there are also examples of the Legislature explicitly expanding the duties of the CPUC. For example, in 2006 the Legislature explicitly expanded the role of the CPUC to issue state video franchises to cable corporations that provided video programming. In 2008 the Legislature established the California Advanced Services Fund (CASF), to provide grants to build broadband infrastructure in unserved parts of the state. In the more recent past, the Legislature has also directed the CPUC to adopt back-up power and resiliency planning programs for voice telecommunications providers. As the CPUC's roles and responsibilities have continued to change and grow, some members of the Legislature have reasonably questioned whether the current structure is the most suitable or in need of reforms. This hearing can provide a venue to raise those questions and hear directly from CPUC leadership about their perspectives.

ISSUES FOR LEGISLATIVE CONSIDERATION

As the Committee exercises oversight by hearing testimony from the leadership of the Public Utilities Commission (CPUC), Members may wish to inquire about the following:

- **Last-Mile Broadband Programs**
 - What are the next milestones for the CPUC's administration of last-mile broadband infrastructure grant funding?
 - What progress can the Legislature expect over the next several years between BEAD and the California Advanced Services Fund?
- **Lifeline Program**
 - What are the next milestones for implementation of the Lifeline pilot program for home broadband?
 - Will the CPUC submit a report to the Legislature detailing recommendations for implementation of a permanent expansion of Lifeline to include broadband?
 - As program enrollment is expected to grow, what is the estimated increase in state costs to fund the program and how is that reflected in surcharge rates?
- **California Teleconnect Fund (CTF) Program**
 - As the Trump Administration reduces support for universal service programs for schools, is this rulemaking intended to help preserve them in California and how is it accomplishing that goal?
 - How can this committee partner with the CPUC to preserve the value of the CTF program to schools, libraries, and community-based organizations?
- **Service Quality Rulemaking**
 - As the Public Utilities Code does not include a definition of broadband service or broadband provider, would statutory updates be useful?
 - Can the CPUC leadership characterize or summarize the different legal points of view regarding regulation of wireless voice communications, and of broadband service?
 - Is further direction from the Legislature on this topic warranted?

- **Resiliency Rulemaking**
 - How are the CPUC's current rules and regulations being implemented to ensure the resiliency of the communications network during emergencies and natural disasters?
 - Where are the current gaps in regulations?
- **Competition: Mergers and Acquisitions**
 - How does the CPUC approach reviewing mergers and acquisitions?
 - As consolidation in the telecommunications marketplace seems to be at an uptick, are there risks to the public and how is the CPUC considering that issue proactively?
- **Carrier of Last Resort (COLR) Rulemaking**
 - What is the timeline for resolution of this proceeding?
 - Is legislation necessary to give the CPUC the authorization to grant COLR relief, or are existing statutes sufficient to implement a new regulatory scheme?
- **AB 1532 Implementation**
 - What themes or takeaways should be taken away from the new reporting?
 - Would adding more commissioners, or specialized commissioners, have an impact on commissioner attendance at CPUC hearings or in the outcome of rulemakings?