

IRREGULATORS

Bruce Kushnick, Managing Director, bruce@newnetworks.com
November 15th, 2023

Description: RE: A2303003 Application of Pacific Bell Telephone Company d/b/a/ AT&T California (U1001C) for Targeted Relief from its Carrier of Last Resort Obligation and Certain Associated Tariff Obligations

RE: AT&T has [filed a request with the California Public Utilities Commission \(CPUC\)](#) to remove their “carrier of last resort” obligations, (COLR). AT&T California is the largest California public telecommunications utility, and it wants to no longer have obligations to provide service over the existing copper wires, especially in rural areas.

The story line is that no one is using these networks, much less basic phone service, and who would want a copper-based POTS, Plain Old Telephone Service, when there are so many other sexy options? First and foremost, when we talk about the ability to obfuscate the truth, one has only to look at the accounting of the copper and fiber optic lines in service in AT&T California, the state utility. We will return to this in with more details in a moment.



The Copper-Wire World of AT&T

		Access Line
1.	Total Number of 'Locations' in AT&T Territories	76,000,000
2.	Fiber Optic Locations 'Passed'	4,600,000
		Not Counted
3.	Retail Consumer Switched Access Lines	5,853,000
		Counted
4.	Percent of Customers Using "POTS"	17%
5.	Households 100%	34,000,000
		Not Counted
	MISSING ACCESS LINES: COPPER	
6.	U-Verse Consumer VoIP Connections	5,425,000
		Not Counted
7.	"IP"	12,888,000
		Not Counted
8.	DSL	1,291,000
		Not Counted
9.	U-Verse	4,253,000
		Not Counted
10.	Connections 15 -20 million	Not Counted
11.	Missing: Special Access Lines, Wires to Cell Sites	?
		Not Counted
12.	Missing: Business Access Lines	?
		Not Counted
13.	Missing: Access Lines Wholesale	?
		Not Counted
14.	Access Lines Not Counted	50-90%
		Not Counted

Source: AT&T 2016 Annual Report, AT&T FCC Filings

The belligerence of commenters is less shocking then an examination of the actual wired lines used for voice services in America According to the FCC, in 2023, there were almost 100 million total 'voice telephone' lines; almost 30 million POTS voice customers (sometimes called 'switched access' lines.

“As of January 2023, [the FCC Marketplace](#) report found that there were still 29 million end-user switched access lines. In addition, there are 68 million interconnected VoIP subscriptions. These combined are 97.6 million fixed retail voice telephone service subscriptions.”

IRREGULATORS

But the opening chart reveals that AT&T only shows a fraction of the total copper lines in service in their utility territories, used by multiple lines of business at once.

This has been going on for decades. This is from the [USTelecom association in 2018](#).

“Since the adoption of these mandates, there has been a staggering decline in ILEC switched access voice subscriptions, from 186 million in 2000 to a projected 35 million this year. In residential markets, only 11 percent of U.S. households are projected to have an ILEC switched voice line by the end of this year.”

Important: Notice the use of the words “switched”, and “voice” and “residential” lines. These are lawyer-esque additions that have been used to hide the other classes of service that use these same copper lines including: “business”, “data”, “DSL”, “special access”, and even the VOIP service used by AT&T’s copper-to-the-home, U-verse. Even though these are all using the same exact copper networks, because they have been reclassified as ‘information’ or “interstate”, they have all been omitted from the accounting, as shown by the opening chart. Previous studies showed that over 80% of the lines were not being included in the accounting.

IRREGULATORS Response: Instead of discussions about ‘shutting off the copper’ wires, the real story requires immediate investigation, including audits so that the state can halt AT&T’s unlawful, multiple cross-subsidies, and remove the quagmire of misleading, or simply untrue facts.

Time to Get Serious: We are requesting CPUC to start a proceeding immediately to remove AT&T’s franchise as a telecommunication utility in California as they claim there is no telecommunication utility. Moreover, they have irresponsibly created the Digital Divide, by leaving most of their service territory with inferior, mostly copper-based networks, and not fiber. AT&T should be held accountable and pay massive penalties for their unlawful cross-subsidies identified by the IRREGULATORS and other parties.

But in the current AT&T filing, there is even a worse scenario being played out. AT&T may be dismantling the state utility, as it claims that there is a separate fiber and wireless broadband networks, and that it competes with the copper wireline network services-- ie, AT&T, the holding company, has been using the state utility as a cash machine and that has been diverting profitable areas, where the revenues and profits are going into a different financial bucket, but the expenses are remaining in the utility, but the company then gets the perks and privileges of the state public utility.

Thus, we call on the State and the Broadband office, as well as the other government officials and regulators to:

IRREGULATORS

- Halt all current cross-subsidies and utility perks that have been abused or used by AT&T subsidiaries for unlawful competitive advantages and harms.
- AT&T has been using the utility as a cash machine to build its other lines of business--- thus violating all separations requirements of the subsidiaries.
- AT&T has let the entire state telecom utility deteriorate, and diverting billions of the utility construction budgets to the other lines of business, especially wireless-- instead of upgrading the state to fiber optics, as it was supposed to do.
- Audit the books to find out how much money was already collected to do the upgrades-- and is still being collected in 2023, and find out whether that money was unlawfully transferred to cross-subsidize the wireless and other lines of business.
- Halt the AT&T overcharging and the continuous rate increases, known as 'harvesting'. The average wireline customer was overcharged at least \$3,500 for a fiber optic wire to replace their existing copper wire -- which they never got.
- Did AT&T unlawfully charge local telephone customers for the construction of fiber optic data lines or 'special access' lines, sometimes called "backhaul" to be used by its wireless services, rather than POTS?
- How much money has been transferred to wireless? How many fiber optic wires ended up being used for wireless instead of for wireline broadband to homes?
- How many actual copper-based lines are in service, regardless of the technology in use?
- Does AT&T's actions to manipulate the accounting of access lines, leaving out the majority of copper-based services, such as U-Verse, DSL, or even special access and data lines—violate the requirement to provide accurate information to a regulatory agency from which it is requesting an action?
- How many millions of miles of fiber optic wires were installed, but are "Dark", not in use? Do they go through unserved and underserved areas?

=====

- Ignorance and Institutional Amnesia -- Not one State Broadband Office or NTIA, or the FCC, even mention that there are still state telecommunications public utilities that have extensive networks paid for by the public.
- How can you create a 5 year plan that does not even mention AT&T California?
- Question: Previous commitments? AT&T had 30 years to complete network upgrades to fiber and any map of AT&T territories shows it has the massive "unserved" and "underserved" areas. What happened to all the money?
- We request a full investigation to locate all Dark Fiber; the last available FCC data shows millions of miles that were never put into use; cities, suburbs and other rural AT&T service territories should be investigated to see why these lines were not put into use.

In Sum: Not one cent should be given to the incumbent telecom utilities and cable companies until they remove all made up fees and make prices 'just and reasonable', and AT&T's wireless and other subsidiaries should be paying market prices for the use of the networks. No provider that uses the networks to deliver services should be getting a free ride.

IRREGULATORS

Let's be clear: Wireless is NOT a substitute nor a solution for what customers have been overcharged for. It has been a bait-and-switch and the State needs to immediately audit for the cross-subsidies and take appropriate actions to get refunds from AT&T that the state can then use as grants to complete the universal buildout to all homes, institutions and businesses.

Worse, while AT&T claims that its wireless services or IP services are 'superior', and that there are competitive alternatives, [AT&T's own terms and conditions](#) for the various products, claims it is not responsible, even if the 911 service doesn't work, or the alarm or medical emergency systems are incompatible; there are no guarantees that even the networks are 'secure' or 'error free'.

At the core, AT&T et al have been able to rewrite history, and this has had dramatic impacts on all of the AT&T states. In fact, and to repeat, all of the State Broadband Office 5-year broadband plans we examined, throughout America, have failed to even mention that there is a 100+ year old state telecom utility under their feet. They should all be demanding that AT&T correct the record.

The IRREGULATORS submit a full analysis, with a library of back up documentation. We have previously filed with the State's CPUC, and the Broadband Council and it is clear that our independent analysis has been ignored, even with our expert telecom team, each with over 40 years of experience and a track record that predicted the Digital Divide 2 decades ago, and warned of the failure of AT&T to upgrade and maintain the state's telecom infrastructure, multiple times.

DOWNLOAD A FREE NEW BOOK: "DISS-CONNECTED",

We have written this book to correct the record. Go to: <https://irregulators.net>

Written for the general public, the book details how the telecom utilities promised the states, including California, a fiber optic future, but America has been punked, and even the advocates, pundits, politicians and investors have no idea of how the Digital Divide was created. We detail the previous fiber optic commitments to the states, and the hundreds of billions of dollars in benefits in rate increases and tax perks. Instead of investigating just how all of this played out, the knee-jerk reaction has been to give billions more in government subsidies to the companies that created this Digital Divide.

This book is the LTE version of the more detailed "Violations & Egregious Acts", and together they are the culmination of New Networks Institute's 30 years of research that has been highlighted in the overstuffed trilogy "[The Book of Broken Promises](#)", which started in 1998. The series has had over 18 million downloads and counting

[The IRREGULATORS](#) is an independent, consortium of senior telecom experts, analysts, forensic auditors, and lawyers who are former senior officials from the FCC, state advocate and Attorneys General Office experts and lawyers, as well as former telco consultants.

IRREGULATORS

Let's start with the manipulation of the basic data presented as to the loss of access lines.

Manipulation of Basic Data: How Many Actual Copper Wires Are In Use? Still?

[The chart above, \(explained by clicking on this link\) was created in 2017, using the most available data at the time.](#) It shows an estimate of how many copper-based services were still in use, especially in the more rural areas. AT&T's claims are total bull-sheet numbers that have been rigged;

This is a footnote from the AT&T filing, and notice that it says "fixed", "retail", "Switched-Access" and that these lines declined, but another group, the "interconnected VOIP services" increased.

⁷⁸ See 2022 Commc'ns Marketplace Rep. at 122 ¶ 170 (noting that "[t]he number of fixed retail switched-access lines declined [nationwide from December 2018 to December 2021] at a compound annual rate of 12.3" percent "while interconnected VoIP services continue[d] to increase").

Lawyers and 3-card Monte have a lot in common in this one footnote, detailing the FCC Marketplace report we just quoted.

To repeat: This quote and the rest of this AT&T filing left out the majority of actual physical copper wires that include a whole collection of different lines of service that are all using the same physical infrastructure and they can have different classifications such as 'data' lines, or the copper-wired lines used for 'U-verse', 'DSL' or 'special access lines' for alarm circuits, or lines that were reclassified when a VOIP phone service is added.

As we documented for the last 2 decades, none of these lines are counted as an access line, and so they are put into different buckets, which include "nonregulated", or "deregulated", or "information service" or "interstate service" categories.

- **Total Lines vs What They Claim.**

We wrote reports and filed comments and complaints about the FCC data, analysis, but sometimes they get part of it right.

This chart should scare everyone who thinks that those poor poor telcos keep losing lines, what can be done?

Audit their books is the first step based on this chart and our report that this chart is from

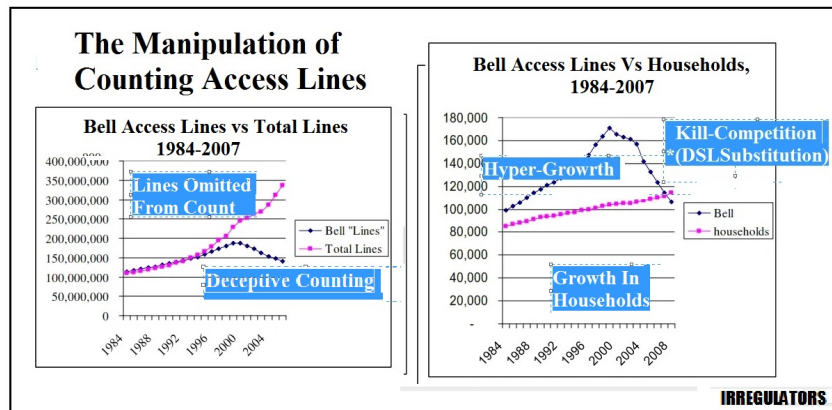
Using FCC Data of Access Lines in Service, we find that local service "Access Lines" had a major jump starting in 1990 with the roll out of fax machines and other devices that

require a phone line, but this was driven by independent ISPs who were bringing people to the internet and they had the majority of internet subscribers by 2001. But examine the “Total Lines” and we find continuous growth of lines, but that the access lines-- mainly POTS lines, peaked in 2001 then declined when the small ISPs were being put out of business.

Bell Access Lines Vs FCC Bell “Total Lines”, 1984-2006

	1984	1990	1995	2000	2001	2005	2006	Since 2000	Overall
Access Lines	99.3	134.7	158.2	187.6	179.8	140.2	139.0	-25.4%	23%
Total Lines	103.1	130.4	166.0	244.8	252.7	311.5	337.1	37.7%	187%

But, it is not known to most that once this happens, the revenues for these lines of business go into a different financial bucket, but usually the expenses remain with the utility, creating losses.



This point in time had 5 major events.

- First, in 2007, the FCC stopped publishing “Statistics of Common Communications Carriers”, the financial data for the state utilities, which it had done since 1939.
- Second, as you can see on the left, while the basic phone lines were in decline - using the ‘switched’ and “voice” filters, all of the other categories had growth in lines, and some of this was added by reclassifying a POTS line that was used for a service like VOIP.
- Third, the chart on the right shows the rise and fall of POTS lines, as told by FCC data and it shows the massive peak in lines, then in 2001, then decline, but in large part to a) DSL, which did not require the second line, and b) reclassification.
- But, the interesting point is this was a period of hypergrowth in access lines. The line at the bottom is the growth of residential locations, and access lines have historically matched the number of new households. Here, customers were getting multiple phone lines.

IRREGULATORS

- Fourth, All of this ‘shutting off of the copper’, was predicated on the start of campaign to also harvest customers -- I.e; continuous prices until they screamed Uncle and left, and were force-marched to wireless.
- Fifth: Goosing the numbers. If you notice, in the first quote we see that the accounting starts at the year 2000, a round number - but also it was the peak of all access line additions, so the ‘decrease’, then, is based on picking an opening point with the largest drop. -- Had the companies in using the original announcement of the fiber optic plans in 1993 through 2006- the rise and fall would not be seen and the increases would have been nominal.

Addressing Comments and the Overall Missing Education of the Public.

Unfortunately, the copper wires should have been upgraded to fiber optics for high speed broadband-- not just voice calling-- and this created the Digital Divide

Here are two comments from the current AT&T-CPUC proceeding, repeating the AT&T hype. It says, paraphrased: *We don't need copper wires, and no one should be using them*

Steve King Costa mesa, CA92627

Time and money spent trying to repair and maintain antiquated copper networks is hindering our states ability to join the 21st century. I do not understand why anyone would choose copper over fiber for their home or business internet.

Oct 30, 2023 11:12 am Flag

Alexis Cornejo Los Angeles, CA91326

In California, it's important that we invest in broadband technologies. Copper is the thing of the past. Let's continue to advance towards the future.

First. The budgets for maintaining the wires have been totally stripped-- there is no major investment.

Second, The ‘major investment’ has been the overcharging of the local phone customers, who have been ‘defacto investors’; they have had continuous rate increases that started with deregulation that was designed to give the state utilities more profits that would be used to do the ‘information superhighway’ upgrades.

[Monopoly: Communications ‘Harvesting’ as an Antitrust Case](#) is a report and article that details harvesting in California by AT&T and the massive increases, with the end goal, to force customers onto the wireless services, which saves the companies on employees costs, and increases the profits,

Third. The investments have been made, not by investors, but by CA residential customers who have a copper line, They were overcharged over \$3,500 by 2023, or more in rate increases for a service they never got. We assume that the commenters will complain about being ripped off, right?

Fourth, AT&T claims that maintaining the ‘legacy’ networks drains resources away from AT&T broadband network.

Maintaining the copper network, with its legacy telephone technology and obsolete equipment, drains resources away from AT&T California’s expansion of its state-of-the-art broadband network.

ANSWER: AT&T appears to be spending ‘chump change’ on the existing copper wires, so this is a fabrication. [In NY, Verizon NY has been averaging \\$30 million out of \\$1.2 billion in capital expenditures to maintain the existing lines.](#) According to the CA PUC study we will discuss, AT&T CA appears to be spending only 1% of their utility construction capex on maintaining or upgrading the state’s aging infrastructure.

Fifth. What State-of-the-Art Broadband Network? Is this Legal?

AT&T California’s proposal for targeted COLR relief reflects its continued commitment to California and its consumers. Following approval of this Application, AT&T’s fiber and mobile broadband network—bolstered by internal resources redirected from the TDM network—would continue to deliver high-speed broadband services to the state’s residents, businesses, and

What this says is-- AT&T claims that there are now 2 networks, the old “TDM-copper-POTS utility network and the new shiny fiber and wireless broadband network, and they want to add funds from the state utility.

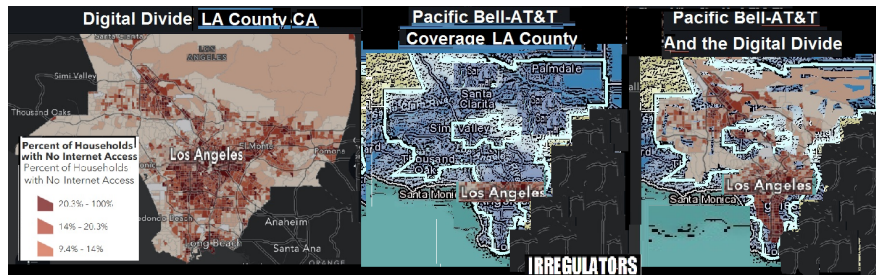
This is all in Telco-wonk-code, but what it says is: We are in the process of dismantling the state telecommunications public utility and we have been building a new fiber and wireless broadband network that is confiscating quasi-public property, funded via customer overcharging within the same ‘footprint’ and using the utility assets, the workers and probably the rights of way, and probably will pay chump change, and never paid anything for the move. Worse, it’s totally anti-competition, totally harmful, and the Net Neutrality safeguards from collusion of the affiliates to get advantages over all other competitors is real and based on history.

Sixth. These previous two comments reveal a diss-connect. These people assume that everyone can get a fiber to the home connection. We assume that they don’t live in an area that was never properly upgraded and this ‘who would choose copper over fiber to their home’?

Answer: You got to be kidding, right? Do you work for the phone company?

Seven. Maps show the AT&T Digital Divide: One has only to take out a map of AT&T California’s territory to see that many of the areas that it should have already been upgraded but were never done, and these are the “unserved” and “underserved” areas,

and they are not just in the rural areas but throughout the cities as well, and the suburban areas, and mainly in the lower income areas.



This is a series of maps, the first on the left shows the Digital Divide and LA county, Next we have a map of the coverage of AT&T, followed by an outline of the AT&T territory in LA county and the Digital Divide map. We filed in LA County because the LA County plans do not include Pacific Bell-AT&T California, or the fact that LA County was on the original list of areas to be upgraded, slated for fiber optics upgrades starting in 1996 through 2000. Pac Bell also filed with the FCC for ‘video dialtone’ -- i.e. using the telecommunications networks for video to compete with cable-- and that was also never done.

And let us be clear: AT&T got paid multiple times to do upgrades of the state. It also has been able to continually raise rates and the State was negligent in dealing with this, and AT&T also got other state and federal subsidies, from Universal Service to the High-cost state funds and even the California CAF funds. The Pandemic proved that the company failed to properly upgrade and maintain the critical infrastructure of the state, but also the state regulators have become a blur-- In all of the Verizon territory, the fiber being put in, is using the Title II, telecommunications classification, and therefore the state commission and NOT the FCC, always had jurisdiction, especially when the financials show that customers paid for these networks.

And because there is no institutional memory, AT&T now wants to remove any regulations and obligations so it can freely cross-subsidize and use whatever fiber it puts in for wireless.

This is a national scandal. AT&T now controls 21 states in its footprint, and these states have the majority of the US population; but all of the other Bell holding companies, Verizon and CenturyLink (Lumen), all did the same ‘violations & egregious acts’. And AT&T’s footprint is really the collection of these 21 states’ telecom public utilities, like AT&T Illinois or AT&T Kansas.

Nine: Shut Off the Copper? Is Just the Same Line of Garbage Verizon and AT&T Have Been Yelling About for 2 Decades.

AT&T and Verizon had no interest in upgrading the rural areas of their state utilities.

In 2012, [Lowell McAdam](#), former CEO of Verizon, speaking at the Guggenheim Securities Symposium, June 21, 2012 said rural areas were not going to be upgraded but would be handled by wireless.

“And then in other areas that are more rural and more sparsely populated, we have got LTE [Verizon Wireless] built that will handle all of those services, and so we are going to cut the copper off there. We are going to do it over wireless.”

Ten: Finally, [light the DARK FIBER](#). In 2007, the last year the FCC published the “Statistics of Common Communications Carriers”, it gave the amount of fiber optic wires that were installed -- and a whopping 81% of the fiber in California was still ‘dark’ meaning installed but not in use, out of 2.9 million miles of fiber in AT&T California, 2.4 million miles was dark. Where is this dark fiber? According to union installers in multiple states, the ‘unserved’ and ‘underserved’ areas have dark fiber, with quantities varying by state and the political circus.

Basic Fiber Optic Failure TimeLine -- And Important Links

Timeline:

- The copper wires were part of the original state telecommunications utility, Pacific Bell, which was created in 1906 -- 117 years ago.
- Under the Communications Act of 1934, everyone in America was entitled to phone service so the telecommunications utility has an obligation to deliver service. It was never mandated that it had to be copper, but in many states, even today, basic alarm and other data services still require a copper wire - as it is more stable and reliable than, say, wireless.
- Note: The other part of California had GTE, which became part of Verizon after the merger with Bell Atlantic. Verizon then sold off the properties, including in Los Angeles, and other parts of CA. But GTE-Verizon did almost identical things and followed Pac Bell’s lead, for the most part.
- In 1993, Pacific Bell announced that it would be spending \$16 billion to start to replace the copper wires with a fiber to the home wire -- and 5.5 million households were to be done by 2000.

Pacific Telesis Fact Book, 1994

Consumer Broadband Deployment Schedule

Consul

Geography for 7-year deployment	Regional Areas where Pacific Bell will initially break ground	Cities within regional areas slated for initial deployment in the 1994-1996 time frame	Areas slated for deployment by 2000
San Francisco Bay Area	Silicon Valley and San Jose	Campbell, Cupertino, Los Altos, Los Altos Hills, Milpitas, Mountain View, San Jose, Santa Clara, Saratoga, Sunnyvale	Peninsula, San Francisco, East Bay, Contra Costa
Los Angeles	San Fernando Valley/West LA	Parts of Los Angeles (Canoga Park, Reseda, Sherman Oaks), Calabasas, Hidden Hills, Inglewood	Most of greater Los Angeles area
San Diego	San Diego	Central San Diego, (and other parts of San Diego, including La Jolla, Linda Vista, Pacific Beach and Rancho Bernardo), Del Mar, Poway	Central and eastern San Diego areas
Orange County	Anaheim	Anaheim, Buena Park, Cypress, Garden Grove, Orange, Stanton, Villa Park	Orange County and western Riverside County

- Up and down the West Coast, Pacific Bell cut deals to do upgrades of cities, such as San Diego's "historic" fiber optic plan -- never happened.
- In 1996, Southwestern Bell, renamed SBC, one of the other original Bell companies, took over Pacific Bell and literally bludgeoned all plans for fiber and decided that it would do a bait and switch with 'DSL'
- It was a hatchet job, according to a timeline from the San Diego Tribune

FACT SHEET : Year by Year: A Plan that Failed (A timeline of Pacific Bell's California First plan.) From 1993-1998 This is a summary timeline created by the San Diego Union Tribune, Feb. 1, 1998, Page I-1.

- Along the way, state laws were changed, starting in 1989 to bring the new technology -- which included "ISDN", one copper line could handle 2 voice phone lines, and a data line -- and it was never fully deployed. It became known as "It Still Does Nothing."
- AT&T then announced U-Verse in 2004 and told the FCC that they would be doing "fiber to the home" but instead pulled another bait and switch and used the existing, installed, legacy copper wires and not fiber to the home, but they never redid the original overcharging for the first fiber deployment that didn't happen.
- Former FCC Chairman Powell, (starting in 2001) worked with industry-analysts that had a corrupted mathematics called 'inter-modal' competition, and he voted to close the networks to competition; i.e., this would leave AT&T, Verizon and CenturyLink (Lumen) and the cable companies, and they didn't have to open the networks and not be bothered by pesky competitors. It was a total failure, as told by America's prices and the lack of real competition.

- Nationwide, formerly SBC, (soon to be renamed 'AT&T') in the 2004 Annual Report stated "Project Lightspeed. We anticipate that we will deploy approximately 38,800 miles of fiber, reaching approximately 18 million households by year-end 2007, and expect to spend approximately \$4 billion over the next three years." No fiber to the home as 'committed' happened, and this became U-Verse.
- In 2006, AT&T merged with BellSouth and claimed it would roll out high-speed broadband to 100% of their territories, including 21 states -- Never happened.
- In 2011, Verizon and AT&T both told investors that they would be focusing on crap wireless, 3G and 4G, but would USE THE EXISTING UTILITY FINANCIAL BUDGETS -ILLEGALLY to charge local phone customers.
- Moreover, AT&T, with Verizon and CenturyLink (Lumen), were able to manipulate financial accounting formulas so that the local phone customers have been and are being 'harvested', and have experienced continuous rate increases.
- The Verizon New York Financial Annual Reports and the fragments of the [California Broadband Assessment](#) matched, and it was ugly.

Examination of the Cross-Subsidies and Diss-investments by the CPUC

[Explosive, New Unredacted Report by CA Commission about AT&T California](#)

["Examination of the Local Telecommunications Networks..."](#) was released, and was not only held up, but also redacted. But it is a scathing review of AT&T California and Frontier (formerly Verizon CA), by the California Public Utility Commission and created with the respected research firm, Economics & Technology.

Some Findings from the CA Reports

These are just the headlines from the series of reports: NOTE: The utilities are not just about the copper wires but include all wires and all services in the AT&T CA territory. (Note: We added a few line items for clarity. They do not have quotation marks.)

- Extraordinarily Large Rate Increases & Harvesting "A succession of rate increases has continued... by the end of 2017 AT&T California's rates for flat-rate and measured residential POTS (Plain Old Telephone Service) access lines had risen to 152.6% and 325.4% of their 2009 rates respectively."
- "Harvesting is AT&T CA's overarching strategy for its legacy services and customers.
- At the end of 2017, AT&T served approximately 2,245,171 residential and small business legacy circuit-switched (POTS) access lines."
- As we pointed out in the opening chart, the words and terms show this is only residential, voice calling, using switched access, This is a fraction of the total copper lines in use. Notice the words, 'legacy', 'circuit switched', 'POTS', and 'access lines' -- as opposed to 'data lines', or 'broadband lines' or 'DSL', etc. Moreover, none of the AT&T lines and information have been audited. i.e.; the

State never sent crews to physically check that the wire exists, and is in place, and is working, etc.

- “Prices Not Based on Actual Costs” (We note that for POTS phone service and wired services, they have been able to have continuous rate increases.)
- Prices should have been in steep decline: The copper wires have almost all been written off, there have been dramatic draconian staff cuts, and there are no advertising or marketing costs. Where is all the money going?
- Deteriorating Service Quality-- (AT&T has not been spending money to keep the copper properly maintained, even in areas where there is no competition, poor cell reception, especially in inclement weather.
- **“Persistent Disinvestment. Over the full 2010–2017 period, less than 1% of all AT&T capital spending on network plant additions, just under \$47-million, was for outside plant rehabilitation projects.”**

Massive Financial Cross-Subsidy Scheme with Other Affiliates.

- “The AT&T California ILEC entity engages in extensive intra-corporate purchases from and sales to a number of other AT&T affiliates.”
- NOTE: The state telecommunications utilities are all of the wires and the supplies the primary infrastructure for all of the affiliate services.
- “AT&T California remains the underlying provider of most retail local network services being offered under the AT&T CA or other AT&T affiliate brands.”
- “Broadband Internet access is provided utilizing many of the same AT&T California network facilities as POTS.”
- The Affiliates Should be Paying Market Prices for Use of these Networks
- “Out of nearly 17.8-million homes passed within AT&T California’s operating areas, only about 315,000, or 1.8%, were in use as of 2017.”
- Social Injustice; Digital Divide Violations
- “AT&T is focusing on higher income communities”
- **Read the Full STORY:** The History of Fiber Optic Broadband in California, 1993-2005; This was the first wave of commitments to have California upgraded to fiber.
- **FACT SHEET** : Year by Year: A Plan that Failed (A timeline of Pacific Bell’s California First plan.) From 1993-1998 This is a summary timeline created by the San Diego Union Tribune, Feb. 1, 1998, Page I-1.
- **HUFF POST:** AT&T U-verse Is a Copper-Based PSTN Service: Lawmakers and the Media Were Duped. 01/23/2013

The “shut off the copper” meme has been going on for over 2 decades, but it has been based on a bald-faced lie, or it this just out and out perjury and fraud? AT&T’s U-verse service — its broadband, internet and TV service — is a copper-to-the-home service, yet AT&T never once mentioned that it relies on the same, exact wires that have been in homes and offices for decades, even though AT&T is claiming that the copper wires are “too old” and needs to be “retired,” closing down about 50 percent of their 21 state territories’ utility networks.

- In 2020, we filed with the [California Broadband Council](#), and the PUC, and quoted the CPUC's 2013 response pertaining to auditing the books, where the state was negligent, and failed to investigate the claims made by TURN and other advocates. More importantly, the 2013 the Annual DIVCA Report's experts were just wrong and they defended AT&T from being held accountable.
- The CPUC wrote:

“The Phase I decision implementing DIVCA adopted FCC ARMIS data for purposes of monitoring. **However, the Communications Division staff has determined that ARMIS data does not include data that would be necessary to determine whether or not cross subsidy is occurring.** Therefore, the only recourse available to enforce the prohibition of cross subsidy violations would be to conduct a cost study proceeding.

We used actual annual financial reports from Verizon New York, which used the same accounting as AT&T California -- and the cross-subsidies are right on the page, and they reveal massive financial manipulations.

- In 2017, we [documented how AT&T has been manipulating the accounting](#) of its mostly copper-based, state-based, utility networks. [AT&T claims](#) no one is using the networks and so they can ‘shut off the copper’,
- [Monopoly: Communications ‘Harvesting’ as an Antitrust Case](#) The basic ‘Calling Features’, such as ‘Call Waiting’, are now \$11.99 per service, per month, if the customer doesn't have a ‘bundled’ plan. In 2004, AT&T CA's Call Waiting was \$3.23, but thanks to faulty deregulation and a corporate policy of ‘harvesting’, the price went up 271%. But here's the catch; it cost less than a penny in 1999, and that was 24 years ago, and while it is comes with most cell phone plans, on the wireline service, these the fees, added charges, and made up taxes are now in play and there is no competition, and the regulators have failed the public over and over.

More Data and Analysis

- [CALIFORNIA BROADBAND FILINGS](#), covering 1992-2023
- [FACT SHEET](#): AT&T California Fiber Optic Broadband Timeline, 1993-2019
- [HUFF POST: Summary: Expose: AT&T California Fiber Optic Scandal: Billions Charged for Broadband that Never Showed Up](#),
- [Free Download](#): “Book of Broken Promises: \$200 Billion Broadband Scandal” focused on telling the story of the failure what is now AT&T to provide fiber optics services to California and the other 20 states AT&T now controls.
- [HUFF POST](#): AT&T's IP Transition Trials Lost 32% of “Legacy” Customers, yet the Over-hyped Con Continues.

- [HUFF POST](#): AT&T Can ‘Say Anything’: AT&T IP Transition Trials and the Direct TV Merger Documents Contradict Previous Broadband Commitments. 06/13/2014

Almost a decade ago, 2014, AT&T asked the FCC to let it start a ‘transition’ of its networks, moving to all ‘Internet-based’ (IP) services, with ‘trials’ that started in Alabama and Florida. AT&T also claimed that it needed to merge with Direct TV as it would not only start rolling out ‘fiber optic cities’ but would also supply broadband service to rural areas that were not being served with broadband.

- [HUFF POST](#): Californians Paid Billions Extra: The State Assembly Should Investigate AT&T’s Cross-Subsidies. 08/23/2017
- The price of the basic AT&T California state utility phone service went up 138% from 2008-2016. Ancillary services went up 60%-525%.

One of the most disturbing things is that the rate increases of basic service actually were based on the claim that the service is ‘competitive’. Competition lowers rates, so obviously, the California state Public Utility Commission needs to be educated. The Commission, as we pointed out, has also been manipulating the accounting of even the rate increases, and it has done no serious audits of the financial books of AT&T California for over a decade.

- [HUFF POST](#): **California Wireless Legislation: Paid for by AT&T Et Al.** 05/15/2017

New Networks Institute, with Teletruth and the IRREGULATORS have worked on projects in California since 1986, (which included as consultant to Pacific Bell for the roll out of Caller ID, and the interactive information products, 1986-1992.)

- [History of the failed fiber optic deployment in California](#), (Chapter from \$200 Billion Broadband Scandal), 2006.
- [Communications bills surveys with UCAN](#), with grants from the California Consumer Protection Fund, 2004-2009
- Filings 2020-2022, with the California Public Utility Commission, California Broadband Council, State legislature and Los Angeles County (2022)
- [Los Angeles County, CA, Rewards AT&T Et Al That Created The Digital Divide.](#)
- California; [Halt The AT&T Cross-Subsidies: Solve The Digital Divide With Fiber.](#)
- [AT&T California’s Failure To Upgrade California](#) with Fiber Optics; Bait-And-Switch Resources, 1992-2005

September 2021: We wrote a new series of letters to Governor Newsom:

- Dear Governor Newsom, Please Do Not Sign the Corporate-Sponsored Wireless Bills; Start Investigations Instead. This addresses the 2 corporate-sponsored wireless legislation ([SB 556](#) and [AB 537](#)), that should not be signed into law because they do not solve the Digital Divide and they help AT&T et al.; they are self-serving and created with the help of the American Legislative Exchange Council, ALEC, it appears.

We supply a brief history of the failed fiber optic deployments in CA by Pacific Bell/AT&T California.

- Dear Governor Newsom; Here's the Fiber Optic Future that Didn't Happened in California. Dear Senator Hueso, (San Diego), (Chairman of the Committee on Energy, Utilities and Communications) This letter focuses on the failed fiber optic deployments in California that were all the rage in the 1990's, including the "landmark" agreement with the city of San Diego to be upgraded to fiber optics, here called 'VDT'—Video Dialtone—by 2010 never happened
- Dear Gov. Newsom: Get the Money Back to Fix the Digital Divide. Do Not Sign the Industry-Based Wireless Legislation; Follow the Money. We estimate that \$1–\$2 billion dollars annually to the state of California from AT&T California (sometimes called "Pac Bell") could be available if the CA annual financial report matches what is been happening with Verizon NY.

As is plainly shown in the Verizon NY 2020 Annual Report, , there are massive financial cross-subsidies revealed in these manipulated financial books. (The Verizon NY 2020 Annual Report published May 27th, 2021.)

- Dear Gov. Newsom: Are You Going to Back the ALEC-AT&T-CTIA Takeover of the FCC? Don't Sign: Investigate the CA Corporate-ALEC Wireless Bills.

MORE: [California Broadband Fiasco](#) Learn more about the California broadband issues, and AT&T's role in creating the Digital Divide, as well as more about the IRREGULATORS, download the free book, and much more.