Federal Communications Commission

RE: Delete, Delete, Delete
DA 25-219, GN Docket No. 25-133

Reply Comments by
IRREGULATORS, New Networks Institute

THE TELCOS GOT THE COST BENEFITS; THE AMERICAN PUBLIC GOT THE BURDENS, BURDENS, WE REPEAT, THE BURDENS.

BEFORE THE FCC STARTS DELETING THE RULES, REGULATIONS, OBLIGATIONS, COMMITTMENTS, CONSUMER SAFEGUARDS, AND GIVING THE TELECOMMUNICATIONS INDUSTRY, (AT&T ET AL) WHAT THEY WANT THROUGH OBVIOUS REGULATORY FAVORITSM, (ALSO CALLED REGULATORY CAPTURE). THE FCC NEEDS TO FIX THE BURDENS ON THE PUBLIC. THE FCC MUST HALT THE CONTINUOUS OVERCHARGING, THE MASSIVE CROSS_SUBSIDIES, AND A LACK OF COMPETITION THAT THE PREVIOUS MASS DEREGULATIONS HAVE CAUSED, INCLUDING THE DIGITAL DIVIDE.

A Model of Bad Massive Deregulation, with No Oversight or Enforcement.
(*Verizon NY 2023 Annual Report summary showing massive cross subsidies, and harm to all customers, caused by massive deregulation.)*

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Annual Report VERIZON NEW YORK . For the period ending DECEMBER 31, 2023

Line No.	Item (A)	Total (B)	Nonregulated FioS	Local Service (F)		Access Backhaul (G)
1	**Operating Revenues**	$ 3,491,188,770	$ 1,682,372,468	$ 641,135,661	1	$ 1,167,680,641
2	Total Operating Revenues		**48%**	**18%**		**33%**
	Operating Expenses					
3	Construction and Maint.	$ 2,343,044,928	$ 954,775,142	$ 940,449,634	2	$ 447,820,151
4	Marketing	$ 238,159,333	$ 72,875,457	$ 128,541,313	3	$ 36,742,563
5	Customer Operations Servi	$ 119,116,107	$ 8,826,741	$ 80,159,648		$ 30,129,717
6	Corporate Operations	$ 1,317,099,605	$ 133,866,053	$ 799,548,254	4	$ 383,685,299
7	Depreciation & Amortizatior	$ 1,166,784,496	$ 49,447,531	$ 728,449,227		$ 388,887,738
8	Total Operating Expenses	$ 5,305,994,852	$ 1,219,790,924	$ 2,735,590,897	5	$ 1,350,613,031
9	Net Operating Revenues	$ (1,814,806,082)	$ 462,581,543	$(2,094,455,235)	6	$ (182,932,390)

Bruce Kushnick, Managing Director
Tom Allibone
Chuck Sherwood
Ken Levy, Esq.
Paul Hartman
Sascha Meinrath, X-Labs.
April 27th, 2025

Introduction

- How many times have the FCC plans that included Massive Deregulation harmed American telecommunications subscribers?
- Why is this all about removing regulations when one of the largest accounting scandals in American history is underway, caused by massive deregulation?
- Where is any history of how massive deregulation was supposed to deliver the fiber optic future, the information superhighway, but over decades, was a no show and even helped to create the Digital Divide?
- There has been a rewriting of history that hides basic material facts like the accounting of the number of actual telecommunications and broadband lines in service to all of telco's subscribers.
- How is it that most American subscribers are still on copper wires for home use because the largest former Bell telecommunications companies have failed to upgrade their telecommunications utility networks to fiber infrastructure.
  (NOTE: These former Bell companies were supposed to bring direct competition to the cable companies; I.e., we should have had fiber- phone and cable wires competing but the telcos did not show up.)
- The FCC keeps telling us that America's communications prices have gone down, when their analysis is based on only using telco supplied information, not actual bills. In fact, the prices are continually going up.
- In fact, the prices of communications services overseas are a fraction of what we pay in the US. The overseas markets have significant competition that results in lower prices.
- Garbage in Equals Garbage Out. The FCC's data and analyses are biased, mostly quoting the industry's data or that it leaves out basic material facts. (You should mention the Gov Agency whose analysis is based on estimates rather than billing.)

The opening excerpt is from Verizon NY 2023 Annual Report and Verizon NY 2024 is supposed to be published May 22, 2025. We will explain how, instead of properly upgrading New York state, these financial reports show a massive cross-subsidy shell game -- billions of dollars that should have upgraded the copper wires to fiber wires and never happened, even when customers have paid thousands of dollars.

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The FCC's massive deregulation -- in this case, removed the obligations to give the FCC the state utility financial books, and the FCC and the states stopped doing audits. New York is one of the only states still requiring annual reports from Verizon. But these books are also cooked. Across America, then, the audit trails were killed off when the FCC removed 'the burden' of giving financial reports to the FCC. These books also contained all of the dark fiber in the ground, as well as the actual construction budgets that were diverted away from the network upgrades causing the Digital Divide. In fact, all of these maneuvers has been creating fake financial burdens so that the government would give subsidies to very wealthy companies.

We lay bare how this current accounting scandal -- was created by the previous massive deregulation plans.

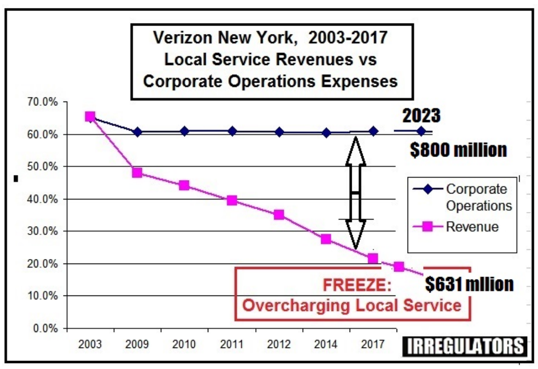
We include this analysis of this Verizon NY 2023 Annual Report as well as a link to the report.

These comments are tied to other FCC proceedings including our call for a full review of the order presented by the Wireline bureau. There is also a comments period for the Joint State Board overseeing the jurisdictional separation issues, the allocation of expenses of the state utility to be charged to the different lines of businesses and it has been a total mess.

25 Years of Neglecting the Expense Allocations for Each Line of Business was Set for the Year 2000.

The expenses in this Verizon NY Annual report were set to mimic the allocation of expenses in the year 2000 and it has never changed for 25 years. In 2000, Local Service was 65% of the revenues and 65% of the expenses; in 2023, Local Service was only 18% of the expenses but paid 65% of the expenses.

This next chart is the ultimate snapshot of just how broken these books are as we tracked and submitted this information for over a decade, detailing this ‘freeze’. In 2023, Local Service was charged almost $800 million dollars, 62% of the total, against revenues of $631 million, creating an artificial loss that has been used to give Verizon rate increases of all wired services, even the copper wired basic phone customers in rural areas.



Corporate Operations Expenses are the lawyers, lobbyists, corporate jets and even the golf tournaments -- all being charged to the basic local phone service line of business, and since it creates losses, then it also creates rate increases.

Thus, the line at the top is the percentage of expenses charged, around 62% of the total expenses, but the revenues, the other line, is now at 18%. This charge should not be applied with the amount of money, as local service did not create these expenses and worse, the service is not even for sale anymore.

There is a current FCC proceeding to examine this whacky mathematics. The FCC will claim that Verizon NY and the large state utilities have already been exempt from examination with a 2017 Order, under FCC Chairman Ajit Pai; and then FCC General Counsel Brendan Carr.

But the states and companies are still using these accounting rules with the same ludicrous accounting, while the current group are the ‘rate-of-return’, smaller companies. Our take is that the FCC should be reopening these issues with all of the telcos and fix this mess.

The FCC has requested that the data be supplied for all cost benefits.

> "We encourage commenters to consider certain policy factors, as described below and consistent with standards and objectives set forth in recent Presidential orders as well as statutory and regulatory retrospective review standards. We also invite more general comments on rules that should be considered for elimination on other grounds. Submissions should identify with as much detail and specificity as possible the rule or rules that the commenting party believes should be repealed (or modified) and the rationale for their recommended action. Commenters whose comments raise issues related to other open Commission dockets should file their comments in all relevant dockets."

The IRREGULATORS, (which includes New Networks Institute, Teletruth, and LTC Consulting) have been filing at the FCC for over 30 years; these are a partial list of related proceedings to the accounting issues.

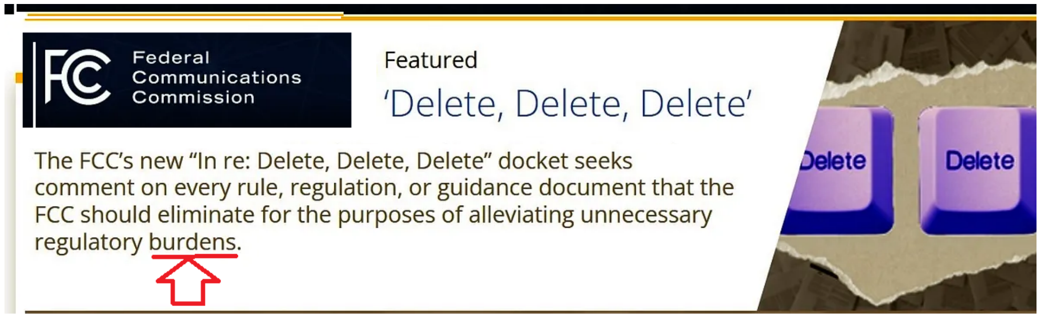
IRREGULATORS FCC FILINGS RELATED TO ACCOUNTING PROCEEDINGS, (PARTIAL LIST)

Date	Type Filing	Proceeding ID	Name of Filers(s)	Count
9/4/2018	REPLY	80-286	IRREGULATORS. NNI	34
8/28/2018	COMMENT	80-286	IRREGULATORS. NNI	50
4/28/2018	COMMENT	14-130, 80-286, 18-22	IRREGULATORS. NNI	5
7/18/2017	REPLY TO	17-84, 17-79, 17-83,	New Networks Institute	630
		13-5, 12-353, 80-286"		
5/25/2017	COMMENT	14-130, 80-286	IRREGULATORS	79
5/25/2017	COMMENT	80-286, 14-130	IRREGULATORS	105
12/16/2015	EXPARTE	80-286	New Networks Institute	63
			Total Pages	**966**

NOTE: The 2015 filings included a full report and analysis of the Verizon New York financial report, as well as a summary letter explaining how the research we presented tied to various FCC proceedings.

The IRREGULATORS and experts on these filings and reports included:

- David Bergmann, Esq. format telecom attorney for Ohio Consumer Counselor and NASUCA, the national association for consumer advocates, (On Sabbatical).
- Paul Hartman, former FCC Asst. Chief of the Pricing Policy Division and a member of the FCC's Joint State Board for Jurisdictional Separations,
- Mark Cooper, Consumer Federation of America
- Tom Allibone, LTC Consulting, former FCC Consumer Advisory Committee Member
- Bruce Kushnick, New Networks Institute, Managing Director, IRREGULATORS
- Chuck Sherwood, former cable and broadband consultant to municipalities
- W. Scott Mc Collough, Esq.
- Fred Goldstein, Interisle
- Kenneth Levy, Esq. Former FCC Chief of the Tariff Division



1) **FCC Chairman Brendan Carr has started a new proceeding to do "massive deregulation". Carr claims that the agency is asking the public to give the FCC a list of regulations that should be erased.**

> "In re: Delete, Delete, Delete," in which the agency seeks comment on every rule, regulation, or guidance document that the FCC should eliminate for the purposes of alleviating unnecessary regulatory burdens."

And the claim is that this will speed up innovation and build infrastructure.

> "The Communications Act directs the FCC to regularly review its rules to identify and eliminate those that are unnecessary in light of current circumstances, recognizing that in addition to imposing unnecessary burdens, unnecessary rules may stand in the way of deployment, expansion, competition, and technological innovation communications that the Commission is directed to advance.4 Government-wide administrative law requires review of rules to ensure that unnecessary—or affirmatively detrimental—rules are not retained."

And the FCC asks

> "We also invite more general comment on rules that should be considered for elimination on other grounds. Submissions should identify with as much detail and specificity as possible the rule or rules that the commenting party believes should be repealed (or modified) and the rationale for their recommended action. Commenters whose comments raise issues related to other open Commission dockets should file their comments in all relevant dockets. "

2) **The Burden is on those poor, poor telecom companies, not the public-- but the forbearance has to be for the Public Interest.**

The quote has omitted a critical fact: The burdens, as stated, are on the corporations for having to deal with regulations or obligations that Carr wants to eliminate. -- and this matches the recent AT&T announcement to shut off the copper wires in 21 states.

The problem is that the quote and all of the other Delete statements never detail that the original statutes of the Telecommunications Act of 1996 requirement that there needs to be meaningful telecommunications competition and that all of this is done in the Public Interest.

> "2 See, e.g., 47 U.S.C. § 161 (directing the Commission periodically to review rules applicable to telecommunications carriers to -determine whether any such regulation is no longer necessary in the **Public Interest** as the result of meaningful economic competition between providers of such service," in which case it 'shall repeal or modify' the regulation".
>
> "Meaningful economic competition", in the context of business and economics, refers to a dynamic where firms strive to gain a competitive edge by offering better products, services, or prices, ultimately benefiting consumers through increased choice, lower prices, and higher quality. This type of competition incentivizes businesses to innovate and improve, leading to a more efficient and dynamic economy."

What this says is that the Public Interest comes first and that there would be competition to allow for this deregulation.

3) The process of hype, puffery, and atrocious data to change public policies.

We will focus on this massive deregulation of the accounting rules which involves the removal of the reporting requirements by the state telecommunications public utilities that are mainly controlled by AT&T, Verizon and CenturyLink (Lumen)

The second point, the subplot, is the fact that the underlying financial books had a mathematical, elegant, but unnoticed series of formulas that put the majority of the expenses for the state telecommunications public utility into one line of business -- local service, while allowing all of the subsidiaries a discounted or free ride.

Third, these formulas were 'frozen' to match the allocation of expenses for the year 2000, literally, and so in the previous chart of corporate operations the 2003 the revenues for local service was 65% and the expenseswere 65%. But through a deviously clever slight of hand, while local service revenues went down, the percentage of expenses that were charged never changed - for 25 years, and is still in use.

Fourth, is that the removal of these filing requirements was based on 'forbearance', meaning that the rules were in place but not enforced, and that it was illegal for the companies to cross-subsidize the services. And the companies even filed every year for almost a decade that they were in 'compliance'.

We will also make sure that the reader understands:

- Residential and small business customers were charged extra continuously for network upgrades that most never got.
- These companies are state telecom utilities and the FCC and the companies failed to disclose this fact currently.
- The entire history has been rewritten or erased.
- Hundreds of billions of dollars have been overcharged for decades because of these financial maneuvers

- The FCC failed to examine the analysis and documentation we presented for decades and relied on biased research, industry supplied data or government information that is at best faulty.
- The regulatory capture of the FCC and the state commissions becomes obvious when the cost benefit analysis shows that the companies received benefits are the costs and burdens on the public.

4) **Totally atrocious data -- Compare the FCC Chairman Ajit Pai reason for this vs the Verizon 2025 statement on 'burden' being on 3 staffers and a manager**.

This is the statement by former Chairman Ajit Pai -- that the FCC was eliminating the 'legacy' accounting, because it was a burden. The idea that the USOA books were a burden, and that getting rid of the requirement would be saving millions that could be used to build out the networks was not true. The books are used for rate increases, saving on taxes and so -- while the FCC didn't publish them, that they have been in use by the state --is a direct contradiction to why the FCC granted forbearance.

STATEMENT OF CHAIRMAN AJIT PAI Re: Comprehensive Review of the Part 32 Uniform System of Accounts, WC Docket No. 14-130; Jurisdictional Separations and Referral to the Federal-State Joint Board, CC Docket No. 80-286. The Order mentions "burden"Re or "burdensome" 34 times.

> "These additional reforms will eliminate burdensome accounting requirements that serve no federal purpose for electing price cap carriers…. The reforms we adopt herein will significantly reduce the regulatory burdens associated with maintaining separate sets of financial accounts.
>
> "This is **especially important because every dollar** used to comply with the Commission's outdated regulations is a dollar that can't be used to build 21st-century networks. And the money involved here isn't chump change: The record suggests some carriers have been spending millions of dollars a year to comply with the Part 32 accounting rules. To me, that represents potentially thousands of American consumers who could have been digitally connected.
>
> "By reducing the costly burden of outdated regulatory requirements placed upon carriers, today's reforms give carriers the ability to better allocate scarce resources toward expanding modern networks which are critical to bringing economic opportunity, job creation, and civic engagement to all Americans.
>
> "Let all of that sink in for a moment. For at least half a decade, the Commission has been mandating that carriers devote scarce resources to accounting paperwork that the Commission doesn't even need. This is the

telecom equivalent of the government levying a tax and the IRS then burning the money."

5) **The Verizon New York January 2025 Extension was granted due to a burden which is really just a total of 4 total staffers for Verizon's accounting and annual reports?**

The idea that this was the reason to get rid of the accounting throughout the US -- because it was burden, is ludicrous when confronted with recent statements by Verizon NY in their filed extension request in January 2025 to get an extension in time to hand in the Verizon NY Annual Report for 2024, claiming it was a 'burden". And what is really strange is that Verizon hss asked for this same extension for 2 decades.

> "Verizon New York Inc. ("Verizon") respectfully requests that the deadline for filing its Annual Report to the Commission for calendar year 2024 be extended from March 31, 2025, to May 22, 2025. **We make this request in view of the substantial burden** involved in compiling, checking, organizing, and tabulating the information that the Commission's rules require in the Annual Report, as well as the press of other business requirements that must be met by the individuals involved in the preparation of the Report. **Because of the magnitude of the burden in relation to the force available for the work**, it is Verizon's considered judgment that it would be difficult, if not impossible, for it to complete the Report by the March 31 deadline.
>
> "The extension sought here is consistent with the extensions that the Commission granted with respect to the **filing of Verizon's Annual Reports for the years 2008 through 2023. Verizon's regulatory reporting team is comprised of three individuals who, together with their manager, have responsibility for preparing, reviewing, and filing over 300 reports annually, in New York and in other states. More than half of those reports are due at the beginning of the year "—**

Either the FCC or the phone companies, specifically Verizon or both, made up this fiction to remove the reporting requirements of the state telecommunications public utilities with the FCC.

- All of the state's telecom utilities of Verizon, AT&T and CenturyLink that were granted forbearance no longer give the FCC their annual financial books using the USOA accounting but still use these financial USOA standards in 2025; a few have filed to have them removed but most didn't because it makes them lots of money.
- But the FCC never checked the compliance of these forbearance agreements and or checked to see what burdens were being put on all of America using the USOA accounting --

- In 2017, when Chairman Pai, and staffers, which included now Chairman Brendan Carr, removed the requirements to file with the FCC, there had been no one who read the reports for years -- if ever.

FCC Chairman Ajit Pai's agenda as told by an interview with Re/Code, May 5th, 2017, is to use a weed-whacker to remove the accounting rules.

> Pai: "What I had in mind were some of the regulations that we've had on the books for a while that stand in the way of investment in networks. Our Part 32 accounting rules — exceedingly boring, I recognize — but just the fact that companies have to maintain two different sets of books, literally one for their business and one for the FCC's purposes, and the FCC hadn't relied on any of that paperwork in years. I asked our staff, '**When was the last time you looked at these reports?' They said, 'Pretty much never.'** We wanted to relieve some of those. Those are the kinds of regulations I had in mind because I want every dollar that a company has to be spent on building out networks, not on paperwork or regulatory requirements that aren't relevant in 2017, whatever relevance they might've had back in 1934 or 1996 or 2015 or whatever." (Emphasis added.)

The accounting of these financial books is corrupt beyond description and the arrogance the FCC o claim that they never examined the books for years shows the failure of this massive deregulation.

6) The FCC Joint State Board Jurisdictional Issues Current Proceeding, May 2025.

This is not a history lesson because of these impacts but also because there is a separate current proceeding at the FCC State Joint Board in 2025.

> "In this document, the Federal Communications Commission (Commission), on behalf of the Federal-State Joint Board on Jurisdictional Separations (Joint Board), seeks comment on issues and questions that the Commission referred to the Joint Board for consideration in the 2024 Separations Freeze Extension and Referral Order to determine the future course of the Part 36 separations rules."

The IRREGULATORS (and previously New Networks Institute and Teletruth) continuously filed about the burdens put on the public and the burdens put on independent analysis, auditors lawyered where we were ignored, continuing in 2024.

We submitted analyses by former senior FCC staff that are experts in this accounting, with the culmination of 'The Hartman Memorandum, that lays out in detail the harmful and burdensome shell game that has been underway and is massive deregulation where the cost benefits DID NOT go to the public but rather those incumbent telecommunications companies that stealthily control the public utilities.

7) How is it Possible that the State Telecommunication Public Utility 'Work in Progress' is Mainly Paid by Local Phone and Wired Customers?

The Verizon NY 2023 Annual Report also contained that year's construction budgets -- 73% of the 'work in progress' construction budgets in 2023 were illegally subsidizing the other lines of business.

But these local service expenses are part of the Local Service calculations that end up bring charged to local INTRASTATE phone customers on copper wires.

This is old copper wires being charged almost $800 million for work in progress and working capital when there is no construction going on with the old copper wires. This money is cross subsidizing these other Verizon lines of business.

Annual Report of VERIZON NEW YORK INC. For the period ending DECEMBER 31, 2022

Line No.	Plant under Construction (a)	Total (b)	Nonregulated (c) FiOS video	New York State (f) local service	Other (g) Backhaul
19	Plant under Construction	857,811,157	92,430,010	629,644,120	135,737,027
	Cash Working Capital *	172,429,535	0	172,429,535	0
	Plant under Construction		11%	73%	16%
	Cash Working Capital *		0%	100%	0%

The movement of these financial budgets of a state telecommunication public utility to the wireless subsidiaries was not supposed to happen under the forbearance decisions. In fact, they claimed that the laws were in place to stop subsidies but more importantly were put in lave to not charge local phone customers for other lines of business.

All of the FCC data is biased or corrupt or missing basic material facts. There is a serious problem -- you can't create new policies if the old one has massive holes or are based on hogwash and gibberish.

This is why we have a Digital Divide, America's prices are some of the most expensive in the world and the government agencies are using biased industry data instead of actually collecting the information and not shutting out independent analysts, lawyers or audits. -- like the IRREGULATORS.

8) Communications Prices are Going Up, Not Down.

In statement after statement, the FCC and Chairman Carr claim that the price of services has been going down and that this is being driven by serious competition.

And it is these incorrect, industry based, severely harmful to public policy, faux facts that need to be confronted.

The FCC's Brendan Carr, when he was a commissioner, issued the following statement:

> "New Data Confirm What Americans Already Know: The Internet Is Not Broken and President Biden's Plan For Government Control Won't "Fix It". The Biden Administration's Plan Is Nothing More Than A Government Power Grab April 19, 2024."

And what America 'knows' and the 'reality' of Carr's statements, you can hear the peanut gallery, some laughing and some just shaking their head because nothing in this reality are facts or the truth.

Carr writes:

> … "The reality? Broadband speeds increased, prices decreased, competition intensified, and years of record-breaking infrastructure builds brought millions across the digital divide.

"Here is the latest data: Prices Are Down:

- "In real terms, the prices for Internet services have dropped by about 9% since the beginning of 2018, according to BLS CPI data.
- "On the mobile broadband side alone, real prices have dropped by roughly 18% since 2017, according to BLS and industry data.
- "And for the most popular broadband speed tiers, real prices are down 54%, and for the fastest broadband speed tiers, prices are down 55%, over the past 8 years, according to BLS and industry data."

In his dissenting view of the Net Neutrality decision of April 2024, Carr wrote

> "DISSENTING STATEMENT OF COMMISSIONER BRENDAN CARR
> Re: Safeguarding and Securing the Open Internet, Declaratory Ruling, Order, Report and Order, and Order on Reconsideration, WC Docket Nos. 23–320, 17–108 (Apr. 25, 2024)
>
> "And today's Order is not about correcting a market failure. Broadband access is more vibrant and competitive than ever, no matter how you slice the reams of data. Americans benefited from lower prices, faster speeds, broader and deeper coverage, increased competition, and accelerated Internet builds."

Lower prices? No. Competitive? No. And Real Prices? Stop laughing… prices went down, right?

- Idiocracy: FCC and Chairman Carr Claim Prices have been Going Down for the Last Decade. These articles refutes Chairman Carr's claims and the paucity of data he uses. It is not accurate, as some of it comes from the very industry attempting to control the FCC's agenda. These are the stories we created to cover a specific area to demonstrate that prices have continuously increased for virtually all services, and in multiple ways.

- AT&T Wireless, broadband, Internet and Phone all had major increases multiple times over the 5 years.
- Verizon Wireless Increases in 2024 and in 2025.
- Harvesting: AT&T and the other Telcos have been Harvesting their wired customers — i.e., continuous rate increases on basic wireline services. This has been violating every fair and reasonable statute.
- From: "AT&T CORPORATE AND CALIFORNIA FINANCIALS AND ILEC INVESTMENT POLICIES: PHASE 2 UPDATE"
- Major Rate Increases on Small Business Wired Services Up 133% in New Jersey. Rate Increases to Ramming. Using actual customers have been put on packages of service they do not need, want or even can use in some situations, and all with continuous rate increases.
- Universal Service Fund Taxes have had continuous increases. — now 36.3%.
- Services, including wireless calling, have a USF tax being applied.
- The Broadcast and Sports Slush Fund Junk Fee — The price of this one made up fee went up 1,144% since 2014 for Spectrum NY's cable TV service, It is now $28.00 and not even added to the actual advertised price, and this is about standard nationwide.
- Why Are Overseas Communications Prices, from Wireless to Broadband, a Fraction of what We Are Charged in America?
- "No Gimmicks" America Is Getting Screwed. The Free French Telecom Fiber Optic Triple Play vs Spectrum-NYC Prices.
- Part 1: Examined the pricing overseas, and specifically based on communications bills
- IRREGULATORS Cost Recovery Complaint to the FTC: Remove All Cost Recovery Junk Fees on 350 Million AT&T, Verizon and T-Mobile Wireless Connections, $15 Billion Annually- to Start

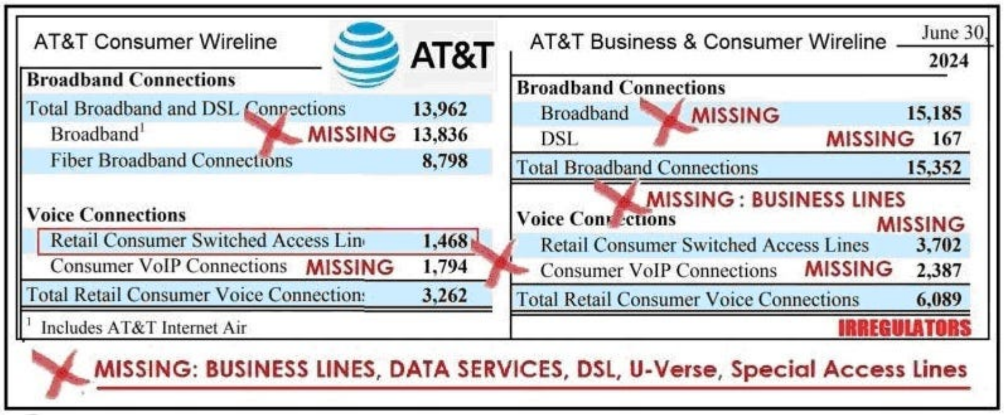
There is no methodology that can be applied that will make "massive deregulation" be anything but a cost benefit to the companies -- and a burden on the American public

9) The Accounting of Copper Lines Has Been Manipulated.

- AT&T has decided to hide just how many copper wires/lines are still in use. At the AT&T Analysts Day, in the first week of December 2024, AT&T claimed it had only 5% of the residential voice customers are still using the legacy copper wires.

- AT&T's Annual Report showed that the company had about 9 million fiber lines to the home customers, but AT&T covers about 80 million locations.

This is deceptive on multiple levels because this 5% is only for Voice, and only for residential customers. What about the data lines or the business lines that are still copper based? Using AT&T's own financial reports we reverse engineered the number of lines, but, we have been documenting this deceptive access line accounting since the 1990's.



AT&T Consumer Wireline

Broadband Connections	
Total Broadband and DSL Connections	13,962
Broadband[1] MISSING	13,836
Fiber Broadband Connections	8,798
Voice Connections	
Retail Consumer Switched Access Lin	1,468
Consumer VoIP Connections MISSING	1,794
Total Retail Consumer Voice Connection	3,262

[1] Includes AT&T Internet Air

AT&T Business & Consumer Wireline

	June 30, 2024
Broadband Connections	
Broadband MISSING	15,185
DSL MISSING	167
Total Broadband Connections	15,352
MISSING : BUSINESS LINES	
Voice Connections MISSING	
Retail Consumer Switched Access Lines	3,702
Consumer VoIP Connections MISSING	2,387
Total Retail Consumer Voice Connections	6,089

If we slowly parse this, we find that of the of the lines listed in AT&T Annual Reports, we see all of these other lines besides the "Retail Consumer Switched Access Lines".

We estimate that 13–21 million other copper lines are in play but hidden. This would mean that 5% is deceptive, and that 60%-80% or more are missing; this is 3-5 times more lines in service than just residential, voice copper lines.

And we are not new to this topic, where we go through the mathematics of deceptive access line accounting.

And we have a litany of really deregulatory nightmares, some of which we included in related filings. Here's one examination.

10) AT&T "Crap Wireless" Is Not Reliable: AT&T Claims No Responsibility.

AT&T claims that it is rolling out fiber, but history tells us that it's more a cover up as the real goal is a replacement — substitute using 'crap wireless', also known as Fixed Wireless Access (FWA). But this is no substitution or equivalent service to wireline infrastructure.

We call it 'crap wireless' because it is not a substitute for a fiber optic line and more importantly, AT&T is not taking any responsibility if the wireless service doesn't work or can 'crap' out.

AT&T refuses to take any responsibilities for life saving fundamental services, like Emergency E911 and alarm systems.

The proposed AT&T plans are for a service called “Advanced Home Phone” and it is designed to replace the existing copper home phone with another except it is a wireless product.

11) This Distortion of the Accounting has had Multiple, Direct and Harmful Impacts on All Services.

(This was presented to the FCC in 2016 by New Networks Institute and Consumer Federation of America)

- **Special access data lines had a 66% (EBITDA) --** because it paid only a fraction of expenses while Local Service paid the majority. In fact, all of the 'interstate' broadband networks, including the wires to the cell sites for Verizon Wireless or even FiOS TV, all paid fractions of the expenses and thus have very high profit margins.
- **Direct Harms to All Wired Services --** Unfortunately, special access cannot be examined without looking at all of the other lines of business, from Local Service to the implications of massive cross subsidies that were designed and helped to create harmful public policies.
- At the same time, these expenses made the local phone networks artificially unprofitable, which has been used as an excuse to 'shut off the copper' or force customers onto 'more profitable' wireless services. This has also been an excuse for not building out FiOS broadband to many areas throughout the East Coast.
- **The FCC's Proposed Rules Do Not Address Cross Subsidies --** The proposal does not fix the excessive profit margins nor examine that the FCC's rule making doesn't include the fact that local phone customers have been overcharged, having paid the excess profits. Moreover, the agency has never addressed the fact that these wires are part of the state utility as they are classified as Title II, and that the expenses paid are mostly within the state and thus 'intrastate' where the FCC does not have jurisdiction, since its jurisdiction is 'interstate'.
- **Harm to Broadband and Internet Competition --** Much of the incumbent's retail business is in Internet access now, including DSL and FiOS and they are classified as interstate. In fact, anything that carries Internet services is interstate. Thus, all of the growth areas, including competitive ones, are in the interstate basket, which is not paying its fair share. This also makes it easier for the ILECs to undercut "broadband" competition.
- **Harms to Users and Municipalities --** As we discuss, the Consumer Federation of America found over $75 billion in special access customer overcharging in just the last five years. Moreover, these financial distortions diverted monies to the affiliate companies, such as Verizon Wireless, that should have gone to upgrade and maintain communities' network infrastructure for broadband and internet services.
- **The Cost Allocation Regulations have been Erased but Are Still In Use --** Worth mentioning again, there are those who will say that the rules have been 'forebeared' - i.e., while the rules are still on the books but are no longer required. Unfortunately, the Verizon New York annual reports and matching reports from

Massachusetts prove that the rules are still in use. But it also exposes that the price caps, where the price is set but the profits aren't examined, did not work.

- **Gaming the System: A Mockery of the Principles of a Utility and Public Obligations**.
- This diagram sums up what happened in virtually every state. Specific parts of the state networks would be deemed interstate and profitable as they aren't paying their fair share of the expenses, while the local networks would start to deteriorate

CONCLUSION: We use this overall tale of massive deregulation that was created to benefit the companies' interest and not the Public Interest.

This new wholesale slice and dice of the regulations, obligations, commitments -- must be shown for what it is:

The Burden is on US.
The Burden is on US.
The Burden is on US.

CODA: In the Wireline Order and in "Delete, Delete, Delete", we are deluged with clichés for data points with no serious details:

- Delete, Delete, Delete
- FCC Cutting Red Tape to Unleash New Infrastructure Investments

In the new Wireline Order,
---'billions of dollars' for new networks will be created once the money has been diverted from costly copper networks"
--- 'providers to keep pouring resources into maintaining decades-old and increasingly expensive copper line networks.

And since the FCC never examined the financial reports, it doesn't know any primary facts about the flow of money. We note:
==There is no increasingly expensive copper networks.
---shutting off the copper networks is not going to generate billions of dollars.
--- the FCC never mentions that these are state utilities,
==that the budgets for the construction upgrades to fiber infrastructure was diverted to wireless and other lines of business.

And finally, if you go through the last 25 years since the freeze started and that includes the accounting rules manipulations, it is clear that the same arguments -- and even the same words, like burden, legacy, and some others have become the joke of the 21st Century's public policies -- which must be exposed for what they are -- the corporate buzzword dictionary for the regulators, who, when in doubt can use them as if they were facts. and who would know?