BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking Proceeding to Consider Service Quality Rules for Wireless Carriers.	Rulemaking 26-02-017 (Field February 26, 2026)

OPENING COMMENTS OF

AT&T MOBILITY LLC (NEW CINGULAR WIRELESS PCS, LLC (U 3060 C); AT&T MOBILITY WIRELESS OPERATIONS HOLDINGS, INC. (U 3021 C); AND SANTA BARBARA CELLULAR SYSTEMS, LTD. (U 3015 C)) (COLLECTIVELY "AT&T")

ON STAFF PROPOSAL AND REPSONSES TO DATA REQUESTS

[PUBLIC VERSION]

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Pursuant to the August 19, 2026, Administrative Law Judge's Ruling Issuing Staff Proposal in Rulemaking 26-02-017,[1] AT&T submits these opening comments and responses to the data requests contained in the Ruling and to the Staff Proposal accompanying that Ruling ("Staff Proposal" or the "Proposal").

I. INTRODUCTION

The Staff Proposal is built on supposed problems that Staff fails to demonstrate. The Proposal nevertheless tries to solve those alleged problems with standards that Staff has also struggled to define or justify. In designing any proposed regulations, the Commission must first identify a problem, determine how to resolve it, and then analyze the likely effect it may have on providers and consumers. Unfortunately, the Proposal fails to satisfy any of these requirements.

For example, the Proposal references anecdotal complaints regarding calls to customer service numbers but wholly ignores providers' evidence regarding their extensive efforts to meet their customers' expectations. Moreover, the Proposal makes no effort to measure customers' actual satisfaction with the support they receive. Based on a few anecdotes and no evidentiary support, the Proposal nevertheless orders costly changes regarding how providers interact with their customers, in ways that will cause harm to the customer service experience.

In its discussion of network outages, the Proposal describes an absence of wireless coverage in parts of California, rather than any supposed failure to repair outages. Outage repair requirements and network availability standards cannot create wireless coverage in areas where none currently exists. Moreover, compliance with the proposed standards would effectively require carriers to build redundant wireless network infrastructure, at enormous cost.

[1] *Administrative Law Judge's Ruling Issuing Staff Proposal* ("Ruling"), Rulemaking (R.) 26-02-017 (Aug. 19, 2026).

Staff also proposes a steep penalty for network outages beyond 24 hours – a proposed standard that ignores the fact that AT&T's reported community isolation outages and average outage durations, for example, are both falling sharply. Additionally, AT&T has presented data showing that most California Governor's Office of Emergency Services ("Cal OES") outages are caused by events outside AT&T's control or are the result of planned maintenance. Punishing AT&T and other carriers for outages beyond their control will do nothing to lessen or shorten those outages. Also, at the August 27, 2026, Workshop, Staff could not explain how the proposed Public Use Microdata Area ("PUMA")-based Network Availability standard would be measured. Based on one possible interpretation of that proposed standard, AT&T would be required to significantly alter its measurement and reporting systems to comply with a standard whose meaning remains undetermined, while facing escalating daily penalties under two separate standards for the same outage.

Simply put, the factual record does not support the adoption of service quality metrics and standards for wireless service. The adoption of Staff's specific regulations is unjustified by the record, runs afoul of California and federal law, and would not advance the Commission's goal of ensuring service quality for wireless consumers. AT&T respectfully requests that the Commission decline the Staff Proposal's customer service and network standards.

II. The Proposed Customer Service Standard Lacks the Evidentiary Foundation Required Under California Law and Will Result in Poor Customer Service.

AT&T has strong incentive to deliver high-quality service, lest dissatisfied customers choose an alternative carrier. This competitive wireless environment encourages AT&T to approach customer service as a proactive, customer-first function. As demonstrated in AT&T's filings in this proceeding and its presentation at the June 25, 2026 Workshop, the proposed seconds-based answer-time metric recommended in the Staff Proposal is fundamentally

incompatible with AT&T's approach to customer care.[2] AT&T does not measure its own customer care through a single, seconds-based answer-time metric, such as the one set out in the Proposal – the use of such a standard would provide an incomplete and potentially misleading view of the customer experience.

AT&T chooses instead to employ a balanced scorecard, validated through annual independent third-party benchmarking.[3] This approach avoids elevating one narrow operational input over more informative customer experience metrics. AT&T's customer experience focuses on resolving the customer's issue in a single call as opposed to emphasizing simply reaching a live representative within 60 seconds (which does not ensure any actual resolution, in any case).

AT&T's modern customer-service systems use natural-language IVR, digital messaging, and the AT&T app to identify customers' needs, authenticate those customers, route their issues to the right resource, and resolve matters without unnecessary transfers. Approximately ****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL**** of AT&T's customer contacts are successfully resolved through this process, without requiring any discussion with a live representative.

Although the Staff Proposal acknowledges that wireless service providers already "operate sophisticated customer service systems," it nonetheless recommends adopting all five criteria of the Customer Service Standard from GO 133-E for wireless service providers, together

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[2] *See generally Comments of AT&T Mobility LLC (New Cingular Wireless Pcs, LLC (U 3060 C); AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C); and Santa Barbara Cellular Systems, Ltd. (U 3015 C)) (collectively, "AT&T") on Order Instituting Rulemaking and Responses to Information Requests* ("AT&T April 1 Comments"), R.26-02-017 (Apr. 1, 2026)

[3] *Response of AT&T Mobility LLC (New Cingular Wireless Pcs, LLC (U 3060 C); AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C); and Santa Barbara Cellular Systems, Ltd. (U 3015 C)) (collectively, "AT&T") to Administrative Law Judge's July 10, 2026 Ruling* ("AT&T July 27 Response"), R.26-02-017, at 19 (July 28, 2026).

with two purported "clarifications," and a penalty framework. But the Proposal fails to offer any analysis regarding how the proposed Customer Service Standard will actually improve customer service. There is no showing in the Proposal, for instance, regarding how the proposed Standard will shorten calls, decrease phone transfers, or avoid increasing customer service costs. The Standard has apparently been developed without any consideration for whether it would actually improve customer service.

The Staff Proposal is not based on any systematic survey, reliable performance data, or analysis of customer outcomes, but instead relies on a handful of unsworn public participation hearing anecdotes and a single personal account from a TURN employee.[4] Moreover, the Proposal makes no effort to even consider the evidence that AT&T and other providers have placed in the record regarding what customers value. Nor does the Proposal consider all the efforts the providers have made to ensure customers have the right experience when contacting their providers. Taken in whole, the record does not support replacing AT&T's outcome-focused approach with rigid standards that will only worsen customer service.

A. The 80/60 Answer-Time Standard Will Worsen Customer Service.

The main proposal in the Customer Service Standard is the requirement that 80 percent of customer service calls be answered by a live representative within 60 seconds.[5] The Proposal concedes it borrowed this metric from the existing wireline standard in GO 133-E. When AT&T asked Staff whether any "independent analysis" had been conducted "to determine [if] a 60-second threshold" was appropriate, Staff could not identify any such analysis, instead inviting

[4] *Administrative Law Judge's Ruling Issuing Staff Proposal*, R.26-02-017, at Attachment A: Staff Proposal ("Staff Proposal") (Aug. 19, 2026).

[5] Staff Proposal at 42–43.

the industry to "enter those into comments"[6] AT&T has already provided extensive record evidence showing that customers do not value the 60-second threshold, and that such a threshold will actually harm customers.[7] Staff has in fact confirmed that its only benchmark for the proposed threshold was the Federal Communications Commission's ("FCC") cable regulation.[8] It is patently arbitrary and capricious to apply one industry's metric to an entirely different technology and market structure without any analysis of its applicability. The proposed threshold should be rejected.

When asked whether they had conducted "any research to suggest that California customers are dissatisfied with their wireless carriers' customer care," Staff again deflected, and invited service providers to submit their own research.[9] But AT&T has already presented evidence on this subject, which the Proposal ignores.[10] The Proposal in fact contains no explanation or analysis showing why its 80/60 standard is better for customers than AT&T's balanced scorecard and existing metrics. Wireless service providers already compete vigorously on customer care satisfaction, and that competition gives wireless service providers strong market-based incentives to maintain high service quality – without the need for any prescriptive government mandate.

The August 27 Workshop further highlighted how Staff has failed to "consider the difference in the call complexity or the call volume between wireline services and wireless

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[6] California PUC, *CPUC | Wireless Service Quality OIR 26-02-017 | Workshop #2* ("August 27 Workshop Transcript"), YouTube (Aug. 27, 2026), at 2:13:19–2:13:59, https://youtu.be/ognzj9jDSVk?si=q6jKi8iibYsdqZ6m.

[7] *See generally*, AT&T April 1 Comments at Attachment 5, Declaration of Stanley Vigil ("Vigil Decl.").

[8] August 27 Workshop Transcript at 2:04:30–2:04:49.

[9] August 27 Workshop Transcript at 2:04:49–2:05:14.

[10] *See* AT&T April 1 Comments.

services" when extending the 80/60 metric in the Customer Service Standard to wireless providers.[11] A wireless call-center environment is fundamentally different from a wireline environment: wireless service providers handle exponentially higher call volumes and manage more complex service plans (including educating consumers on the of a broad range of available wireless devices, device financing, device insurance, international roaming, personal hotspots, and multi-line family plans). The application of a wireline-derived metric to the materially different wireless context, without any adjustment, is further evidence of the arbitrary nature of the Staff Proposal.[12]

B. The First-Prompt Interactive Voice Response ("IVR") Requirement Will Greatly Degrade Customer Experience and Impose Significant Costs on AT&T.

The Staff Proposal's "Clarification #1" provides that the 60-second response window begins when a customer selects the option to speak with a representative, and that this option must appear "in the first prompt presented to the customer."[13] This is not a "clarification," but is instead a wholly new substantive requirement that turns customer care efforts on its head because customers will choose the live agent option and bypass the IVR system that get them to the right representative or allow them to address their issue without talking to a representative.

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[11] August 27 Workshop Transcript at 2:14:12–2:14:43.

[12] For example, on Christmas morning, wireless service providers experience surges in call volume driven by new device activations and support requests. Maintaining a wireline based 80/60 metric during such events would require wireless service providers to maintain permanent staffing levels far exceeding normal demand—an extraordinarily wasteful and costly proposition.

[13] Staff Proposal at 43 (requiring "the option to speak with a representative or agent [appear] in the FIRST PROMPT presented to the customer, rather than requiring callers to navigate through multiple menu layers") (capitalization altered).

No comparable mandate exists under General Order ("GO")133-E.[14] This proposed mandate rests on an outdated understanding of automated telephone systems. Legacy touchtone interactive voice response ("IVR") menus required customers to move through rigid sequences of numbered options (press 1 for billing, press 2 for technical support"), guess which category fit their issue, and start over if they chose incorrectly. Modern wireless service providers have largely replaced these systems with natural-language IVR technology. Natural-language IVR systems allow callers to describe their call reason (for example, by stating, "I have a question about my bill" or "my personal hotspot is slow"). The system interprets the caller's spoken intent and may either gather additional information in plain language to route the call to the appropriate agent or route the call directly to a properly skilled specialist, bypassing the rigid menu layers that would previously frustrate customers. Also, during the time the customer interacts in plain language with AT&T, AT&T can gather information about the customer's service with AT&T, so it can more effectively resolve the issue.

Natural-language IVR systems reduce the friction and delay associated with navigating set, multi-layered menus, and improve routing accuracy by matching a caller's stated need to a specialist rather than forcing the caller to self-diagnose through generic categories. They also reduce unnecessary transfers by connecting callers to the right agent the first time, which shortens overall resolution time and improves first-call resolution rates. Natural-language IVR also authenticates callers and gathers account information during the routing process—functions that would otherwise consume both the customer's and the live agent's time. Far from being

[14] This "clarification" does not appear in General Order ("GO") 133-E as applicable to Plain Old Telephone Service ("POTS") and Voice over Internet Protocol ("VoIP") providers. It is a new substantive requirement proposed exclusively for wireless carriers.

barriers to customer service, modern natural-language IVR systems are a widely deployed and effective tool for improving how customers receive the assistance they seek.

The Staff Proposal measures success by the speed with which a caller reaches any live representative, rather than the speed with which the caller reaches the appropriate resource capable of resolving their issue. Even if a customer is connected within 60 seconds, the answering general representative must authenticate the customer, determine the issue, and transfer the call to another queue. In this ill-conceived process, the customer may likely experience a longer resolution time than if they had spent just a brief period interacting with a natural-language routing system before being connected to a properly skilled specialist. Thus, the Proposal's mandate of offering a live agent at the first automated prompt treats all IVR technology as inherently inferior to immediate live-agent access—a premise that ignores how the technology has evolved and (as discussed below) finds no support in the record.

Modern customer service platforms also provide immediate self-service solutions when a live representative is unnecessary. AT&T estimates that approximately ****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL**** of its customer contacts are resolved through IVR automation, digital messaging, and the AT&T app without requiring interaction with a live representative. Many of these customers either do not need authentication or can receive simple information almost immediately through automated channels. A regulatory framework that prioritizes immediate access to a live agent will incentivize many callers to bypass these faster self-service options, and will increase contact volumes, reduce automation effectiveness, and ultimately greatly degrade customer experience for both callers who could have been served immediately and those who genuinely require live-agent assistance.

The evidentiary basis for this requirement consists of a single unsworn public participation hearing statement by Wayne Clemons, who identified himself as a former network and field technician and frontline technical support specialist.[15] The Staff Proposal states that Mr. Clemons ”testified that customers were being left on hold for extended periods, specifically 30 to 60 minutes, before being connected to a representative unable to resolve their issue.”[16] Mr. Clemons was describing hold times, not IVR menu structure. Yet the Staff Proposal uses his out-of-context statement to justify a sweeping IVR redesign mandate. AT&T had no opportunity to cross-examine Mr. Clemons, and the Proposal has mischaracterized his testimony to justify a sweeping first-prompt IVR mandate, without any supporting evidence or consideration of customer care consequences.

Mr. Clemons’s actual complaint was about offshore call centers lacking local knowledge and representatives who do not understand how cellular service works. These are concerns about the quality of the representative, not the speed of reaching that representative.[17] Mr. Clemons’s emphasis on representative expertise supports AT&T’s position that a balanced scorecard measuring resolution quality is superior to a rigid speed-of-answer metric. The use of this single unsworn PPH statement is another example of Staff’s use of incompetent, inappropriate evidence which cannot form the evidentiary foundation for a new substantive regulatory requirement –

[15] *See* Staff Proposal at 43 (citing PPH Transcript, July 15, 2026, at 22, statements by Wayne Clemons). Mr. Clemons identified himself as a former employee of “Air Touch Wireless, LA Cellular, PacTel,” entities associated with predecessor wireless operations later absorbed into Verizon Wireless in 2000, underscoring the historical nature of the experience he described.

[16] Staff Proposal at 43.

[17] July 25, 2026 PPH 2:14:12–2:14:43.

especially in light of the extensive counter evidence that AT&T has presented in comments and the testimony of its subject matter expert, Stanley Vigil.[18]

AT&T's natural-language IVR system routes customers to specialized teams. A customer calling about an international roaming issue, for example, is currently routed to an agent with international-plan expertise. Under the first-prompt requirement, that customer would instead reach a general-purpose agent who may lack the specialized knowledge to resolve the issue, necessitating a transfer and further delay, the very outcome the Staff Proposal purports to prevent.

C. The Proposal Ignores the Enormous Cost of Implementing the Customer Service Standard.

The Staff Proposal's requirement that the option to speak with a live representative appear "in the first prompt presented to the customer" would compel a fundamental restructuring of AT&T's IVR system.[19] AT&T's current IVR architecture is designed to route calls efficiently, resolve common issues through automated self-service tools, and ensure that when a customer does reach a live representative, that representative has the information and expertise to address the customer's specific concern. Flattening this system to present a "speak to a representative" option at the first prompt would eliminate the intelligent routing that enables AT&T to match

[18] At the August 27 Workshop, industry representatives underscored the concern with how the Staff Proposal would actually degrade customer service. T-Mobile explained that identifying the reason for a customer's call is "incredibly important" so the carrier can "send them to an appropriate representative who handles that type of issue because the industry is so complicated." August 27 Workshop Transcript at 1:58:39–1:59:15. T-Mobile also expressed concern that routing customers to "the first live customer service representative" rather than a specialist "would probably slow down the process" and result in customers "getting transferred over and over again." *Id.* at 1:59:15–1:59:35. Staff offered no response to these observations and gave no indication that it had conducted any analysis of whether the first-prompt requirement would actually reduce or increase overall call-resolution times.

[19] Staff Proposal at 43.

customers with the right specialist, increasing call-handling times, transfer rates, and customer frustration.

By driving a significantly higher percentage of calls to live agents, many of which could have been resolved more quickly through self-service, the first-prompt mandate would substantially increase the volume of calls requiring live-agent handling, greatly increasing the incremental staffing costs estimated by AT&T's subject matter expert Bryan Williams.[20] The Proposal's "Clarification #2" reduces the callback window from the 24-hour period currently applicable to wireline service providers under GO 133-E to just 30 minutes for wireless service providers.[21] In light of the first-prompt IVR mandate, a 30-minute callback window is operationally impractical and would impose enormous wait times for customers. AT&T currently offers customers the opportunity to speak with a technical expert within five minutes or schedule a callback time of the customer's choosing, an approach that gives customers flexibility and ensures high-quality interactions. The Staff Proposal's rigid 30-minute mandate would eliminate that flexibility.[22]

The Staff Proposal fails to present (or even acknowledge the need for) a cost-benefit analysis of its proposed Customer Service Standard. This omission is not a minor oversight. It is a fundamental deficiency that compels rejection of the Staff Proposal.[23] AT&T has already submitted detailed cost data in its Opening Comments on the Order Instituting Rulemaking

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[20] *See* Williams April 1 Declaration, ¶¶ 9–11 (describing incremental staffing requirements for the 80/60 standard).

[21] Staff Proposal at 44; cf. Decision (D.) 25-09-031, *Decision Adopting General Order 133-E* (GO 133-E"), Section 2.3(a)(ii) (providing a 24-hour callback window for POTS and fixed interconnected VoIP providers).

[22] AT&T July 27 Response at 19–20.

[23] *See* Cal. Pub. Util. Code § 321.1(b) (requiring the Commission to consider the economic effects of proposed rules).

("OIR")[24] as well as in its July 27 Response to the Administrative Law Judge ("ALJ") Ruling.[25] The figures below represent AT&T's updated estimated cost of compliance with the consumer-harming Staff proposal. AT&T's updated analysis, based on the Proposal's specific requirements and clarifications, confirms that AT&T's annual incremental cost of complying with the standards would be approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***, plus approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in one-time technology implementation costs. [FN: Declaration of Rachel Bilski at 18, 20.]

The magnitude of these costs is particularly striking in light of AT&T's existing expenditure on customer care and network maintenance in California. The Staff Proposal would add ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in annual compliance costs on top of AT&T's already substantial expenditures—without any demonstrated benefit to California consumers. These costs equate to approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per month for each AT&T direct-billed wireless customer in California. [FN: Declaration of Rachel Bilski at 20.] The Commission cannot adopt a regulatory framework that imposes costs of this magnitude without first conducting the comprehensive cost-benefit analysis required by California Public Utilities Code Section 321.1. The Proposal's failure to identify the issue to be resolved, its failure to identify supporting evidence in the record, and its failure to conduct the required cost-benefit analysis, warrants rejection of the subject Customer Service mandates.

[24] *See generally,* AT&T April 1 Comments.

[25] Williams April 1 Declaration; AT&T July 27 Response.

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D. Replacing the 24-Hour Callback Window to 30 Minutes is an Arbitrary Change that Would Worsen the Customer Experience.

The Staff Proposal recommends reducing the callback window from 24 hours to 30 minutes for wireless carriers.[27] This so-called "clarification" is, in fact, a substantive new rule that is 48 times more stringent than the standard in GO 133-E.[28] The basis for this requirement is a single personal anecdote shared by Regina Costa, a The Utility Reform Network ("TURN") employee, who described her own experience with one wireless carrier's customer service line, spending most of a 15-minute call on hold while the representative searched for her

[26] Declaration of Rachel Bilski at 20.

[27] Staff Proposal at 44 (recommending "reducing the callback window under the optional callback service from 24 hours to 30 minutes").

[28] GO 133-E, Customer Service Standard, Section 2.3(a)(ii) (providing a 24-hour callback window for POTS and fixed interconnected VoIP providers).

account information, being disconnected after receiving an inaccurate response, and ultimately waiting 136 minutes for a scheduled callback.[29] A single anecdote from an employee of an advocacy organization and party to the proceeding is not substantial evidence to support the proposed rule and cannot amount to the competent evidence required under California law to support regulatory action.[30]

At the August 27 Workshop, Staff stated its rationale for the 30-minute callback window was that wireless customers should not have to "wait in one place" to receive a callback. This of course is nonsensical. Wireless customers do *not* have to wait in one place; they may receive callbacks anywhere their mobile device has service. Nor is a scheduled callback a 24-hour burden imposed on the customer. When the customer accepts a callback, the customer chooses an available time that works for them—effectively making an appointment, rather than waiting passively for an unspecified call. That is true for AT&T's wireline customers as well, even though wireline customers must be at a fixed location to receive the call and wireline providers retain a 24-hour callback window. The Staff Proposal thus proposes punishing wireless carriers for the very mobility advantage their technology provides.

At the August 27 Workshop, T-Mobile highlighted this illogic, noting that wireline customers must "stay at home or next to the phone that they made the call from" during a 24-hour callback window, yet wireless customers, who can receive callbacks anywhere, must receive a call in 30 minutes.[31] T-Mobile further observed that a rigid 30-minute window would prevent wireless providers from implementing customer-friendly alternatives such as a menu

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[29] *See* Staff Proposal at 44, Footnote 165 (citing June 25, 2026 Workshop Recording at 00:31:16–00:32:48, statements by Regina Costa, TURN employee).

[30] *Util. Reform Network v. Pub. Utils. Comm'n*, 223 Cal. App. 4th 945, 949, 962 (2014).

[31] August 27 Workshop Transcript at 2:00:14–2:00:43.

option of "[w]ould you like to be called back in an hour or two hours or after dinner.?'" Such options better serve consumer preferences than a one-size-fits-all mandate.[32] Staff's response to T-Mobile's approach to callback confirmed the absence of any analysis in support of its 30-minutes callback window. Indeed, Staff's capricious approach to this question was stated candidly: "If I could put five minutes, I would."[33] Such an admission only underscores the complete absence of any evidence-based methodology in selecting the callback window.

During a major natural disaster (in which overwhelming numbers of customers may simultaneously seek service-restoration information), a carrier may receive tens of thousands of callback requests within a single hour. In such a scenario, a 30-minute callback window would prove logistical impossibility, absent the creation of a permanent workforce sized for catastrophic-event peaks. The 30-minute callback requirement would thus effectively eliminate the callback option as a viable alternative for managing call volume, since the staffing required to guarantee 30-minute callbacks would approach or exceed the staffing required to answer all calls live, negating any efficiency benefit of offering a callback option in the first place.

E. The Postal Mail Requirement Is a Factually Unsupported Anachronism.

The Staff Proposal recommends that wireless carriers provide a postal mail component for customer service inquiries and also provide the postal mail contact on the company's website, through the customer service telephone line, and in bill inserts.[34] No wireless customer has raised a concern at any PPH, workshop, or docket filing in this proceeding about the lack of a postal mail option for customer service inquiries. The August 27 Workshop underscored the absence of

[32] *Id*. at 2:01:06–2:02:12.

[33] *Id*. at 2:09:32.

[34] Staff Proposal at 43.

any rationale for this requirement. When asked what specific problem this criterion sought to solve, and what data supported it,[35] Staff did not provide a specific answer, and instead stated the criterion came from the prior rulemaking (Rulemaking 22-03-016).[36] When asked whether any independent analysis had been conducted in this proceeding for criterion, Staff invited industry to "provide some comments and feedback"[37] This exchange again confirms the arbitrary nature of this requirement, which appears to rest on unexamined assumptions imported from a different proceeding, not on any actual evidence gathered in this one. AT&T's prior confidential filings set forth the cost estimates associated with complying with this criterion.[38]

F. The 90-Day Billing Resolution Requirement Is Arbitrary, Unsupported, and Impractical.

The Proposal also recommends that wireless providers resolve all billing-related inquiries within 90 days of the initial customer inquiry.[39] There is no evidentiary demonstration that 90 days is a reasonable or necessary timeframe, no data showing that carriers fail to resolve billing disputes within a reasonable period, in any case, and no showing that this 90-day mandate is necessary or appropriate.[40]

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[35] August 27 Workshop Transcript at 2:11:39–2:12:24.

[36] *Id*. at 2:12:24–2:12:51.

[37] *Id*. at 2:13:02–2:13:19.

[38] *See* AT&T April 1 Comments at Attachment 2, *Declaration of Brian Williams* ("Williams April 1 Declaration"), ¶13.

[39] Staff Proposal at 43.

[40] Moreover, billing disputes vary widely in complexity. A carrier may resolve a simple billing error in one call, but a dispute involving third-party charges, international roaming, insurance claims, or promotional credits may require more than 90 days—especially when the carrier must obtain information from third parties or await regulatory guidance.

G. The $20,000-Per-Day Penalty Framework Is Punitive, Disproportionate, and Bears No Rational Connection to Consumer Protection.

The Staff Proposal would impose a General Fund fine of $20,000 for each day a carrier fails to meet any of the five Customer Service Standard criteria and would further require carriers to report daily compliance in quarterly reports.[41] As proposed, a single day of noncompliance on any one criterion would trigger the full $20,000 fine, regardless of the number of customers affected, the severity of the noncompliance, or whether the provider was at fault. A carrier that fails to maintain a postal mail component (a requirement unsupported by any demonstrated consumer demand), for example, would face the same penalty as a carrier who fails to answer calls within 60 seconds. This one-size-fits-all approach inappropriately fails to calibrate the penalty to the violation's severity or impact. A carrier who fails to answer 80 percent of calls within 60 seconds on one day (based on, for example, something beyond its control such as a natural disaster that may cause a call center to close down, or an unpredictable call surge) might suffer the same $20,000 fine as a carrier that deliberately refuses to staff its customer service lines. The $20,000 per day penalty bears no rational relationship to the regulated conduct or the cost of compliance, and is punitive, not remedial. Staff has apparently performed no cost-benefit analysis in support of the $20,000 per day penalty. There is no evidence of any proportionality assessment, and no explanation for why the penalty was set at $20,000 per day, or how, for instance, that amount advances any consumer-protection objectives. The penalty proposal should be rejected.

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[41] Staff Proposal at 44-45.

H. The Customer Service Standard Lacks Substantial Evidence.

California law requires competent evidence for any regulatory decisions from the Commission.[42] California Public Utilities Code Section 321.1(b) further requires the Commission to "assess the economic effects of its decisions."[43] As discussed above, the Staff Proposal contains no cost-benefit analysis for any element of the proposed Customer Service standard. Nor does the Proposal compare any potential alternatives—it does not evaluate, for example, whether 120 days versus 90 days or 60 days for billing resolution would better balance consumer protection and compliance costs. The Proposal simply selects prescriptive thresholds without apparent analysis. California consumers may ultimately bear the costs of these unstudied proposals through higher prices.[44] Because the Proposal fails to identify the alleged problems that necessitate the unsupported proposals, let alone weigh the costs and benefits of those proposals, it has fully failed to conduct the required factual and economic analysis required by Section 321.1. The Customer Service standards should be rejected.

I. The Staff Proposal Fails to Establish the Required Nexus Between the Proposed Rules and A Demonstrated Service-Quality Deficiency.

Even if Staff Proposal's was supported by competent evidence (and it is not) the Commission must still "bridge the analytic gap between the raw evidence and ultimate

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[42] Cal. Pub. Util. Code § 1757.1(a)(1), (4). *See also* In re Rulemaking to Implement Provisions of Public Utilities Code § 761.3, R.02-11-039, D.04-05-013, 2006 WL 268694, n.11 (Cal. P.U.C. Jan. 26, 2006) findings must be supported by substantial evidence in light of the whole record). *See also Applied Med. Res. Corp. v. Pub. Utils. Comm'n*, No. G065804, 2026 WL 2240646, at *9 (Cal. Ct. App. Aug. 4, 2026) Uncorroborated hearsay evidence cannot serve as evidentiary basis for Commission decision). *Accord, Util. Reform Network v. Pub. Utils. Comm'n*, 223 Cal. App. 4th 945, 948, 962 (2014).

[43] Cal. Pub. Util. Code § 321.1(b); *U.S. Steel Corp. v. Pub. Utils. Comm'n*, 29 Cal.3d 603, 609–610 (1981); *Cal. Mfrs. Ass'n. v. Pub. Utils. Comm'n*, 24 Cal. 3d 251, 258–259 (1979).

[44] *See Util. Reform Network v. Pub. Utils. Comm'n* (2014) 223 Cal.App.4th 945, 958 (recognizing that regulatory costs are ultimately borne by consumers in the form of higher prices).

decision,"[45] and "adequately consider[] all relevant factors" and "demonstrate[] a rational connection between those factors, the choice made, and the purposes of the enabling statute."[46] The Staff Proposal does not establish any rational connection between its proposed Customer Service Standard and these regulatory objectives, however.

For example, the Proposal fails to present any consideration of other metrics for answer times and fails to show how the proposed 80/60 metric would improve benefit customers more than a 70/70 metric. Moreover, the first-prompt IVR requirement would actually *increase* call times, by channeling all callers into a general-purpose queue, rather than routing those calls to specialists, or resolving an issue without even talking to an agent—which is the precise opposite of its stated purpose. The 30-minute callback requirement also bears no connection to its stated objective of assisting customers during service disruptions: a customer needing assistance during a service disruption needs immediate assistance or a network-level remedy, not a faster callback from a customer service representative. The postal mail requirement similarly bears no connection to wireless service quality—network performance, coverage, or reliability; and the 90-day billing resolution requirement addresses billing-resolution timelines, which do not measure network performance. The outage-routing requirement likewise regulates conduct that carriers already perform in the ordinary course of business.

The Staff Proposal identifies no gap for any of its mandates to fill and thus cannot bridge "the analytic gap between the raw evidence and ultimate decision," as required by law.[47] The Proposal's failure to establish a nexus between the proposed rules and the proceeding's

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[45] *Topanga Ass'n. for a Scenic Cmty v. County of Los Angeles*, 11 Cal. 3d 506, 515 (1974).

[46] *California Community Choice Assn. v. Public Utilities Com.*,103 Cal.App.5th 845, 861 (2023); *Securus Techs., LLC v. Pub. Utils. Com.,* 88 Cal. App. 5th 787, 788, 803 (2023).

[47] *Topanga Ass'n. for a Scenic Cmty v. County of Los Angeles*, 11 Cal. 3d 506, 515 (1974).

stated objectives renders the proposed standard arbitrary and capricious under Section 1757.1(a).[48]

J. The Proposal's Penalty Framework Is Unlawful.

The Eighth Amendment's Excessive Fines Clause, incorporated against the states through the Fourteenth Amendment,[49] requires that regulatory fines be proportionate to the assigned offense.[50] The proposed $20,000-per-day penalty in the Customer Service standard violates this constitutional standard in several ways. First, the penalty is measured at the company level regardless of the number of customers affected, the severity of the noncompliance, or whether the provider was at fault. A carrier that misses the 80/60 standard by 0.1 percent on one day faces the same fine as a carrier that deliberately refuses to staff its customer service lines. This strict-liability regime is grossly disproportionate. The $20,000-per-day penalty far exceeds the cost of providing customer service and bears no rational relationship to the regulated conduct or its costs.

The penalty framework is also arbitrary because it applies the same $20,000-per-day fine regardless of the criterion violated. A carrier that fails to maintain a postal mail component—a requirement no customer has demanded—faces the same penalty as a carrier that fails to answer calls within 60 seconds. The Staff Proposal provides no proportionality analysis and no explanation why $20,000 per day, rather than another amount, advances the Commission's consumer-protection objectives. The daily reporting requirement also creates substantial

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[48] Should the Commission attempt to remedy these repeated failings, AT&T must be given opportunity to present countervailing evidence under the appropriate procedure.

[49] *Timbs v. Indiana*, 139 S. Ct. 682, 687 (2019) (holding that the Excessive Fines Clause is incorporated against the states through the Fourteenth Amendment).

[50] *U.S. v. Bajakajian*, 524 U.S. 321, 334 (1998) ("The touchstone of the constitutional inquiry under the Excessive Fines Clause is the principle of proportionality").

additional costs. Carriers handling calls nationwide would need to build new tracking infrastructure. The penalty creates irrational incentives—encouraging massive overstaffing at enormous cost that California consumers would bear through higher prices.[51]

K. The Customer Service Standard Compels Speech in Violation of the First Amendment.

The First Amendment protects corporations' autonomy to choose both the content and the format of their communications.[52] When a regulation compels speech, it is subject to heightened constitutional scrutiny.[53] Commercial-speech regulations must satisfy the *Central Hudson* test, which requires a demonstration that the regulation advances a substantial interest and is not more extensive than necessary.[54] Multiple elements of the proposed Customer Service Standard compel speech. The first-prompt IVR requirement dictates the precise structure and content of wireless service providers' IVR menus—forcing carriers to present a live-agent option as the very first prompt. The mandate tells the speaker not only what to say, but when, where, and how to say it. The postal mail requirement compels carriers to publicize a postal address on their websites and in bill inserts, and mandates both the content and the form of carrier communications. The 80/60 standard and callback requirements prescribe timeframes within which carriers must engage in communications with customers, dictating the temporal dimension of speech.

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[51] Cal. Pub. Util. Code § 321.1(b); *Cal. Mfrs. Ass'n. v. Pub. Utils. Comm'n*, 24 Cal. 3d 251, 258–259 (1979).

[52] *Pac. Gas & Elec. Co. v. Pub. Utils. Comm'n*, 475 U.S. 1, 15-16 (1986)

[53] *Sorrell v. IMS Health Inc.*, 564 U.S. 552, 570 (2011); *NetChoice, LLC v. Bonta*, 113 F.4th 1101, 1117 (9th Cir. 2024).

[54] *Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 566 (1980).

These mandates impose requirements on wireless service providers that are more stringent than those applicable to wireline service providers, for example, which heightens the constitutional burden for justifying them. The Staff Proposal makes no effort to satisfy any level of First Amendment scrutiny – it does not demonstrate that the proposed standard directly advances a substantial governmental interest, does not demonstrate that the standard is no more extensive than necessary, and does not explain why less restrictive alternatives would be inadequate. This failure requires rejection of the proposed standard.

For the foregoing reasons, the Commission should reject the proposed Customer Service Standard and its accompanying penalty framework in their entirety. The proposed criteria rest on incompetent evidence, ignore the economic effects the Commission is required to consider, impose requirements without a rational nexus to any demonstrated service-quality deficiency, and compel speech without constitutional justification. The $20,000-per-day penalty is unconstitutionally excessive, applied without regard to fault, severity, or the number of affected customers, and bears no rational connection to the Commission's consumer-protection objectives. The Commission should decline to adopt the proposed Customer Service Standard and instead adopt the more measured alternatives described in Section IV: standardized reporting focused on customer-support outcomes and billing inquiry resolution, including the familiar 90-day billing-resolution framework, with annual review through a Staff-led industry workshop or en banc. That approach would give the Commission useful, comparable information without prematurely imposing prescriptive standards, daily compliance obligations, or penalties unsupported by the current record.

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III. The Proposed Outage Repair and Network Availability Standards Lack Sufficient Evidentiary Support.

Commission decisions must be supported by competent evidence,[55] and cannot be based upon hearsay or vague and conclusory assertions.[56] The Staff Proposal, in seeking to advance its 24-hour outage and Network Availability standards, inappropriately relies upon unsworn assertions by "advocacy panelists" at workshops, including employees of the Small Business Utility Advocates and TURN,[57] and lacks competent evidentiary support. The Proposal similarly seeks to rely on observations regarding allegedly poor wireless service quality, in-artfully selected from the Workshops, Public Participation Hearings (PPHs) and docket card filings.[58] This is also inadequate under the law for building the required evidentiary record for any proposed regulation. These evidentiarily inadequate statements – mostly concerning isolated incidents (such as dropped calls or failure to obtain a signal when using a mobile phone[59]) – are merely anecdotal, lack relevant details, and do not support the need for a rule prohibiting and penalizing outages of more than 24 hours or requiring 99% network availability.

Even when the Proposal purportedly relies on selected Cal OES community isolation outage data, that data does not support either the 24-hour-outage repair standard or the PUMA-

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[55] *See* Cal. Pub. Util. Code § 1757.1; *Applied Med. Res. Corp. v. Pub. Utils. Comm'n*, No. G065804, 2026 WL 2240646, *9 (Cal. Ct. App. Aug. 4, 2026).

[56] *See Util. Reform Network v. Pub. Utils. Comm'n*, 223 Cal.App.4th 945, 949, 962 (2014) ("[U]nder California statutory and decisional law, as well as the Commission's own decisions, uncorroborated hearsay cannot constitute substantial evidence to support an agency's decision absent specific statutory authorization.") (citing, *inter alia*, *Daniels v. Dep't of Motor Vehicles*, 33 Cal.3d 532, 536–37 (1983)); *see also id.* at 962 n.10 ("[T]he Commission's own rulings preclude reliance on uncorroborated hearsay to support a finding of fact.").

[57] *See* Proposal at 13-14 (relying on unsworn assertions by "advocacy panelists" at workshops, including employees of the Small Business Utility Advocates and TURN).

[58] *See generally id.* at 7, 13-18, 37.

[59] *See, e.g.,* Proposal at 7 ("Many reported dropped calls, dead zones, prolonged outages, unreliable access to 911, and limited coverage in rural, tribal, and underserved communities.").

based Network Availability standard. As set out further herein, the entire Proposal should be rejected. Any conclusion that regulation is warranted must be based on information showing that some defined group of outages can be prevented by the Commission's regulatory intervention, and that the cost of such intervention would be justified by the results. There is no information in this record that establishes either point.[60] The proposed standards should not be adopted.

A. The Staff Proposal Confuses Alleged Coverage Gaps with Outage Repair Issues.

The language of the Proposal[61] and its citations to comments from the June 25 Workshop and the PPHs, strongly suggests that the primary objective of the Proposal (or the primary problem Staff seeks to allegedly remedy) is the purported absence of wireless coverage in certain areas of California. For example, the Proposal claims the "record demonstrates that communications service gaps impact public safety,"[62] and seeks to "ensure that persistent service gaps in specific communities are identified and addressed."[63] The Proposal further laments the "limited coverage in rural, tribal, and underserved communities,"[64] and cites a Mono County

[60] PPH participants in fact have expressed their concerns that CPUC intervention would threaten the affordability of their wireless service. *See, e.g.,* Testimony of Tecoy Porter, National Action Network, Sacramento Chapter, July 15, 2026 PPH. *See also* Testimony of Shawna Roberson, Red Bluff, CA (September 1, 2026 ("The thought of new regulations potentially affecting my service is concerning, as it could lead to increased costs, which might force me to have to choose between paying for my wireless service and other essential bills"); Stephen Gill, Apple Valley, CA, August 27, 2026 *(*"At my age, over sixty-five, I'm on a fixed income and don't want any additional stress or expenses. Living in a rural area like Apple Valley, I'm concerned that new rules could negatively impact my service, making it less affordable or reliable"); Karen Barr, Tehachapi, CA, August 20, 2026 ("However, I am concerned that new commission rules could affect my wireless bill and potentially lead to increased costs").

[61] Staff Proposal, Attachment A.

[62] *Id.* at 3 (emphasis added).

[63] *Id.* at 4 (emphasis added).

[64] *Id.* at 7 (emphasis added). This purported criticism is a call by the supervisor and the Staff for extended coverage in Mono County, not a decrease in purported outages. AT&T and Verizon recently sought to install a new macro tower at Mono Lakes, and received a permit to do so, but the permit was invalidated in a CEQA proceeding brought by local residents. *See Snowcreek, et al. v. Town of Mammoth Lakes, et al.,* Mono County Superior Court case no. 24UCM48 and Writ of Mandamus entered therein, May 22, 2025.

supervisor who "personally carries two cell phones from different carriers because not one single carrier provides service throughout the county."[65] The Proposal further recounts how that same Mono County supervisor "described a stretch of U.S. Highway 6 . . . that does not have any cellular service."[66] Tribal representatives are also cited as urging the Commission to "require carriers to build redundancy . . . so that a single carrier's outage does not leave tribal communities without service."[67] The Proposal also cites a member of the Western Fire Chiefs Association who opined that "[t]rue resiliency comes from redundancy across all three major carriers,"[68] and claims that "[i]n many areas of California, residents find themselves with access to only a single wireless carrier or none at all.[69]

The above all describe alleged problems based on a purported *absence* of wireless coverage in certain areas of California: alleged, persistent "service gaps," "limited coverage in rural, tribal, and underserved communities," single carrier service areas, a stretch of highway "that does not have any cellular service," and the need for redundancy. These problems cannot be remedied in this service quality proceeding, because, as argued further herein, they require increased network build to expand coverage and capacity, and/or they are caused by events beyond the wireless carriers' control. Staff claims to propose rules that seek to limit wireless outages and set service repair periods, but the problems Staff purportedly seeks to solve involve the apparent absence of coverage and supposed lack of network redundancy, and thus amount to

[65] *Id.* at 15 (emphasis added).

[66] *Id.* at 15.

[67] *Id.* at 17. The Proposal further asserts that "[w]orkshop participants emphasized the need for tools that can reveal . . . insufficient redundancy." *Id.* at 28.

[68] *Id.* at 18 (emphasis added).

[69] *Id.* at 24 (emphasis added).

unlawful mandates regarding how, where, and at what strength carriers must build their networks.

1. Federal Law Preempts Regulation Regarding How Wireless Providers Design and Deploy Their Networks.

Section 332(c)(3)(A) of the Communications Act preempts state regulation of "the entry of or the rates charged by any commercial mobile service or any private mobile service."[70] The Commission has opened this proceeding to investigate service standards to reduce wireless network outages.[71] Any proposed service standard aimed at the performance or reliability of the wireless network would constitute improper entry and rate regulation in violation of Section 332(c)(3). The OIR in this proceeding asserts the "Commission still retains the clear authority to regulate 'other terms and conditions of service,'"[72] but in seeking to purportedly lessen wireless outages, the Commission runs afoul of Section 332, by dictating the strength and quality of the carriers' wireless networks.[73]

Any attempt by the Commission to promulgate service standards to purportedly curtail wireless network outages invades the FCC's purview in these areas and invites a field preemption claim, since such standards would inevitably dictate network design and operation,

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[70] 47 U.S.C. § 332(c)(3)(A).

[71] *Order Instituting Rulemaking* ("OIR"), R.26-02-017, § 1 at 1-4; § 3 at 11 (Mar. 2, 2026).

[72] OIR at 8.

[73] *See, e.g., Bastien v. AT&T Wireless Servs.*, 205 F.3d 983, 988 (7th Cir. 2000):

> As the Supreme Court recognized in Central Office Telephone, a complaint that service quality is poor is really an attack on the rates charged for the service. . . In addition to rates and service, federal regulations expressly dictate the terms under which a provider may enter a new market. The act makes the FCC responsible for determining the number, placement and operation of the cellular towers and other infrastructure.

Accord, Shroyer v. New Cingular Wireless Servs., 622 F.3d 1035, 1040–41 (9th Cir. 2010) (a claim that seeks, essentially, to assign "the requisite number of cellular towers needed to support service," or whether a carrier's service "above or below the proper standard for cell phone service" is preempted).

and impose technical obligations on providers' radiofrequency networks. Such regulation would fall squarely within the FCC's "exclusive authority over technical matters" relating to use of radiofrequency spectrum,[74] and its related exclusive authority over wireless infrastructure design and construction.[75] Moreover, the remedies Staff would impose will not affect the main problem Staff has identified – namely, the alleged lack of cellular coverage in certain locations of the State – a purported condition the Commission is not empowered to rectify.

A. The Staff Proposal Does Not Account for Recent Reductions in Reported AT&T CAL OES Outages.

A wireless Cal OES community isolation outage is defined as a loss of one carrier's wireless coverage in 25% of any single zip code for a period of 30 minutes or more.[76] The Proposal asserts that during the period 2023 through 2025, community isolation outage totals "remained consistent, hovering between 5,600 and 6,000 outage occurrences in California annually."[77] This assertion ignores the outage data provided by AT&T in this proceeding, particularly the AT&T Cal OES outage data for 2026.[78]

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[74] *N.Y. SMSA Ltd. P'ship v. Town of Clarkstown*, 612 F.3d 97, 105 (2d Cir. 2010) (*citations omitted*).

[75] *See, e.g., In re Accelerating Wireless Broadband Deployment by Removing Barriers et al.*, 33 FCC Rcd. 9088, 9103 n.84 (2018).

[76] Cal. Code Regs. tit. 19, § 2480.2(a)(3).

[77] Staff Proposal at 19.

[78] AT&T's submitted outage along with its April 1, 2026 comments in response to the OIR that showed a marked decrease in Cal OES outages in the first months of 2026. *See generally* AT&T April 1 Comments to OIR at Attachment 6, Declaration of Michelle Leingang ("Leingang Decl."). AT&T outage data for the first 6 months of 2026 further highlights the significant decrease in AT&T community isolation outages.

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Table A

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As set out in **Table A**, AT&T's projected reported community isolation outages for 2026 will drop by *****BEGIN CONFIDENTIAL** [redacted] **END CONFIDENTIAL***** year over year from 2025 to 2026, and the average outage duration across the state will drop year over year by *****BEGIN CONFIDENTIAL** [redacted] **END CONFIDENTIAL***** over that same period. Thus, the trend data for outages upon which Staff has purportedly based its proposed service quality standards is incomplete. The Proposal's characterization of widespread outages and lessened service quality is further belied by testimony in this proceeding. Though Staff point to the PUMA that includes Mariposa County as an example where improved Network Availability by PUMA is needed,[79] Mariposa County Supervisor Kiser (at the July 15, 2026 PPH) stated that "[w]e have a wireless system that actually works quite well. . . . Wireless service today is already affordable for small businesses and families like mine, especially in remote quarters of our state, without a single new rule from the Commission."[80] Staff's assertions regarding a proliferation of

[79] Staff Proposal at 34.

[80] *Reporter's Transcript* ("July 15 PPH Transcript"), Public Participation Hearing, R.26-02-017, at 31 (July 24, 2026). *See also* Testimony of Vice President of the Tuolumne County Chamber of Commerce

outages as justification for proposed regulation is thus unsupported by testimony from the very PUMAs where staff claims the problem is most persistent, and by AT&T's outage data. The proposed standards should be rejected.

B. The Proposal Inflates Outage Numbers in More Remote Areas of California by Aggregating Multiple Zip Codes into PUMAs.

Community isolation outages are reported by zip codes. In an apparent effort to increase the tally of reported community isolation outages across rural zip codes and make its case that those zip codes receive poor network maintenance by wireless carriers, Staff has proposed aggregating those zip codes into PUMAs.[81] This of course increases the number of total reported outages in any particular area, given the large number of zip codes contained in certain rural PUMAs.[82] Though Staff wishes to focus on total outages (by artificially aggregating many zip codes into one reporting area), a review of the outages in the PUMAs cited by Staff suggests that the rural and less affluent county outage crisis Staff seeks to underscore is also overstated. Specifically, based on reported AT&T community isolation outages in the years 2023 - 2025, the PUMAs Staff seeks to highlight rank relatively low in the state for average outage duration in 2023 - 2025, as set out below in **Table B** – meaning that these specific PUMAs actually have their outages repaired at a relatively faster rate.

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Board of Directors, Matt Kiolbassa ("[e]ven in my rural area, my wireless connection does everything I need it to").

[81] *See generally* Staff Proposal at 27-37.

[82] For example, the PUMAs that the Staff Proposal focuses on (Alpine-Amador Counties, et al.; Lake-Mendocino Counties; and Nevada-Sierra Counties) contain 81, 43, and 22 zip codes, respectively.

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Table B

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For comparison, **Table C** is a list of the PUMAs that rank in the top 20 for average outage duration among reported AT&T community isolation outages in 2023 – 2025:

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Table C

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The 20 PUMAs with the highest average duration for AT&T community isolation outages in 2023 – 2025 in **Table C** have an average median household annual income of **$87,754.15**. By contrast, the three PUMAs identified in the Staff Proposal as examples of communities with service-quality concerns (and supposedly longer outage durations) have a lower average median annual household income (**$66,057**) but nevertheless enjoy shorter average outage durations than the more affluent communities listed in **Table C.** The outage-duration data cited by Staff therefore does not support a conclusion that "poorer" or more remote communities experience longer outage durations than other areas. Though the maps in the Proposal may "indicate higher reported outages in large, rural PUMAs compared with smaller urbanized PUMAs,"[83] that is because those areas contain many more zip codes than their smaller urbanized PUMAs. For example, the three PUMAs for which Staff cites concern (Alpine-Amador; Lake-Mendocino; Nevada-Sierra) may rank ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in total AT&T community isolation outages in 2023-2025, but they

[83] Staff Proposal at 28-29 (Fig. 7).

nevertheless rank ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***respectively in AT&T community isolation outages per zip code. Those numbers do not support the narrative Staff attempts to advance – that rural and less affluent aggregation of zip codes into PUMAs thus tends to present a misleading picture.

The Staff Proposal argues that "wireless carriers should report performance at the local level because statewide averages often mask repeated failures in specific rural communities." Further, it is important to track and monitor chronic trouble spots where outages often occur, particularly in emergency scenarios, where reliable wireless service is most critical, yet most often absent."[84] Existing Cal OES outage reporting already provides information that can be used to determine which areas of the state allegedly suffer more (and more extended) outages.[85] The Commission does not need misleading PUMA-based reporting to make those determinations. Moreover, when PUMA-level outage counts are considered alongside outage duration, the available data does not support the conclusion that rural communities experience longer outage durations than more urban areas.[86]

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[84] Staff Proposal at 16.

[85] This information may be evaluated by zip code (as is already reported to Cal OES), or Staff may easily translate zip outage information into the PUMAs that Staff wishes to use. There is no need for additional PUMA based reporting outside of the current Cal OES 25% zip code outage information already provided by the carriers in real time.

[86] *See generally* Staff Proposal at 27-37; s*ee also id*. at 28 ("staff proposes using U.S. Census Public Use Microdata Areas (PUMAs) as the primary geographic unit for evaluating wireless network availability and service reliability on an annual basis") ("Workshop participants emphasized the need for tools that can reveal repeated outages, slow restoration timelines, and insufficient redundancy") (Staff needs "clearer picture of which communities experience persistent service failures. This information would better support regulatory requirements such as corrective action plans, redundancy expectations, backup power strategies, and vegetation management compliance").

C. An Outage on One Carrier's Network Does Not Necessarily Prevent Wireless 911 Calls and WEA alerts.

The August 27, 2026 Workshop materials erroneously advanced the conclusion that an outage on one wireless carrier's network will prevent a wireless subscriber from dialing 911 in an emergency.[87] This assertion ignores the fact that one carrier's network outage does not necessarily preclude that carrier's customers from dialing 911, since, under federal law, wireless telecommunications providers must transmit all wireless 911 calls to the appropriate public safety answering point ("PSAP") "without respect to their call validation process."[88] In other words, if a certain wireless carrier's service is lost in any area of California, any of that carrier's customers within reach of another carrier's wireless network may use that network to dial 911 – even if the caller is not that carrier's customer.[89]

Based on this federal rule, the loss of 911 coverage for any wireless phone user, in the event of one carrier's cell site outage, is ill-informed. Thus, Staff's concerns about loss of 911 service as a basis for additional wireless service standards are not justified. This distinction is important because there is no evidence in this proceeding that any reported outage resulted in a loss of access to 911. Nor is there any evidence to establish that any wireless users were unable to receive Wireless Emergency Alerts ("WEA") as a result of any outage. WEA-capable devices may continue to receive alerts through other participating wireless carrier networks depending on device capability, network availability, and alerting conditions.

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[87] *See* August 27, 2026 Workshop Deck at 5.

[88] 47 C.F.R. § 9.10(b).

[89] *Id.* Although the federal rule was explained in prior comments in this proceeding, Staff still included language in the August 27 Workshop materials that ignored the rule, and further appeared unaware of the rule during discussion at the Workshop.

Accordingly, reported community isolation outages should not be treated as *de facto* evidence for loss of emergency communications capability. To the extent the Staff Proposal's public-safety rationale depends on that assumption, there is no evidence to support the Proposal's conclusions or proposed new standards. The reporting of a "community isolation outage" simply does not mean that the community is truly isolated. When AT&T submits a Cal OES report, for example, its customers may still have access to 911 and WEA alerts if another carrier is present. Staff has simply failed to present any evidence or any actual assessment or analysis to support the conclusion that a community isolation outage results in a loss of emergency calling capability.

D. The Staff Proposal Erroneously Omits Most of the Exemptions for Outages Beyond Carriers' Control.

Staff proposes escalating penalties of $5,000 per day for outages longer than 24 hours,[90] and additional, escalating daily fines of $5,000 per day for every outage that results in a PUMA dropping below 99% "Network Availability."[91] The known causes for AT&T community isolation outages in 2023 – 2025 can be broken down approximately as follows:

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[90] Staff Proposal at 39.

[91] *Id.* at 41. Staff could not make clear in the August 27, 2026 Workshop just how "Network Availability" was to be measured. *See* discussion, *infra.*

[92] Leingang Decl., ¶ 10.

If maintenance activity is removed from the above calculation, then AT&T estimates that approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** of all known, unplanned outages on its cell site network are the result of transport failure.[93] Wireless providers usually purchase transport from other entities and do not control how or when service to a cell site is lost due to transport failure. The Commission has clearly recognized this fact, via the exemptions it established for service outages in GO133-E.[94] Because AT&T estimates that transport failure causes almost ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** there is no legitimate rationale for additional service quality standards purportedly designed to incent reduced cell site outages, since the source of the overwhelming majority of cell site outages are causes beyond the carriers' control – a principle the Commission has already recognized through a number of exemptions for the POTS out of service metric.[95]

Cable cuts can be the result of vandalism, theft, or construction work accidents (*e.g.,* a backhoe digging a trench). Construction work is believed to be the most common cause of cable cuts that result in a loss of transport to AT&T cell sites.[96] Though AT&T cannot prevent a cell site outage due to a loss of transport, it nevertheless makes every effort to respond to that outage and will work with transport providers to have the damaged facilities repaired as soon as possible.[97] When the loss of transport is identified as the cause of an AT&T cell site outage, AT&T Mobility's internal response system creates a ticket for internal tracking and resolution.

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[93] *Id.*

[94] GO 133-E, § 2.2(c)(vii).

[95] *Id*.

[96] *Id*., § 2.2(c)(vii).

[97] AT&T April 1 Comments at 12-13 n.46; AT&T April 1 Comments at Attachment 7, Declaration of Lance Hastings ("Hastings Decl."), ¶¶ 8-9.

AT&T also continuously monitors its wireless network and, when a cell site outage occurs, may make adjustments to neighboring sites to reduce or eliminate potential coverage gaps.

Because AT&T's wireless network is designed with overlapping coverage, a cell site outage does not necessarily result in a customer-visible loss of service. In many instances, customers may remain served by neighboring sites and may never experience the outage reflected in AT&T's internal systems.[98] These mitigation measures were often not fully accounted for in AT&T's Cal OES community isolation outage reporting. When transport is the identified cause, the AT&T Mobility transport support team contacts the transport provider (including, in some instances, the AT&T Incumbent Local Exchange Carrier ("ILEC")) to open and track a corresponding trouble ticket with that provider.[99]

In GO 133-E, the Commission rightly observed "it is clear that at least some of the outages are the result of circumstances beyond a carrier's control."[100] Based on this finding, the Commission adopted a broad list of exemptions.[101] As the Commission noted at the time, "[f]ocusing on clearly defined exemptions associated with events outside of a carrier's control will provide proper incentives to carriers to respond promptly to outages that are within their

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[98] *See* Figure 1, *infra,* and related discussion.

[99] *Id.*

[100] D.25-09-031 at 36, Findings of Fact 14.

[101] *See generally* GO 133-E at 7. The exemptions include, *inter alia,* the following:

1. Declared state of emergencies;
2. Natural catastrophes;
3. Public Safety Power Shutoff (PSPS) events;
4. 811 Underground Service Alert Program;
5. Third-party cable cuts;
6. Cable theft/vandalism;
7. Unplanned loss of commercial power that exceeds backup requirements;
8. Customer's request to change appointment.

control."[102] The current Staff Proposal (save for planned maintenance in the Network Availability outage section) appears to punish carriers for outage events beyond their control.[103] AT&T respectfully urges the Commission to apply the same outage exemptions listed in GO 133-E to any rules set out in this proceeding. The Commission should reject Staff's proposed 24-hour outage repair standard and associated escalating penalties and instead proceed, as described in Section IV, with standardized outage reporting that allows Staff, Cal OES, parties, and industry stakeholders to assess outage causes, restoration circumstances, and trends before considering any enforceable standard.

E. The "Network Availability" Standard is Undefined and Appears Unworkable.

The Staff Proposal asserts that "[t]he Network Availability by PUMA Standard measures the percentage of time during a calendar day that the carrier's wireless network is available within that PUMA. Network Availability by PUMA would be calculated as: total minutes during the calendar day that the carrier's wireless network is available within the PUMA divided by total minutes in the calendar day, as a percentage."[104] But the Proposal stops at that high-level formula and never identifies the data source, measurement methodology, or carrier-verifiable information that will be used to determine whether a carrier's network is indeed "available" within a PUMA on any given day.

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[102] D.26-09-031 at 111.

[103] When asked about the application of exemptions for wireless outages beyond the carriers' control, the Commissioner suggested that GO 133-E exemptions might be applied to wireless service, as well, but asked that the carriers place that request in their Comments.

[104] Staff Proposal at 40.

The Staff Proposal's citation to OpenSignal's uptime measurement in carriers' comments does not cure this evidentiary defect.[105] Carriers do not use OpenSignal data to determine network performance or availability. OpenSignal uptime was merely cited in comments to corroborate the same uptime measurement that carriers measured by their own metrics. AT&T in fact described OpenSignal as "independent, publicly available third-party data" and cited it only to show that "overall wireless network performance in California is improving"—not as a carrier-verifiable metric that can support daily penalties, for example.[106] T-Mobile comments underscored the same point: Cal OES reporting system was designed to provide Cal OES situational awareness, not to assess general network performance, and thus T-Mobile's reported outage durations are likely overstated because they do not account for temporary service-restoration measures such as COWs, COLTs, or neighboring-site antenna adjustments.

In other words, both the OpenSignal and Cal OES data were developed for purposes other than administering a daily, penalty-bearing Network Availability standard. A regulatory standard must be based on reliable, defined, reproducible measurements that carriers can calculate, verify, and use to manage compliance. The Proposal does not present any such standard, and certainly does not explain how OpenSignal's third-party, user-experience availability metric would be reconciled with carrier outage systems, Cal OES community-isolation reporting, PUMA boundaries, planned-maintenance exclusions, coverage-footprint limitations, indoor attenuation, or any defined meaning of "Network Availability." Nor does the

[105] Staff Proposal at 40, citing T-Mobile Response to July 10, 2026 ALJ Ruling, Attachment RIR_2-02, p. 57 ("Average Provider Coverage Availability in California — Opensignal") and describing the Opensignal metric as "measuring the proportion of time people have a network connection in places they commonly frequent."

[106] AT&T April 1 Comments at 8 ("Independent, publicly available third-party data supports the conclusion that overall wireless network performance in California is improving…").

Proposal explain how a publicly reported third-party metric could be converted into a legally enforceable daily standard applicable to individual carriers in each PUMA. Indeed, Staff's citation to OpenSignal underscores one of the Proposal's central flaws: it does not identify competent record evidence or a workable measurement methodology sufficient to support the proposed Network Availability standard.

The workshop record confirms this same problem. At the August 27, 2026 Workshop, carriers sought clarification regarding how the proposed Network Availability standard would be measured. Specifically, they asked when a portion of a carrier's network in a PUMA would be considered "unavailable," and what criteria would determine unavailability for purposes of calculating the proposed 99% availability requirement. Staff responded that further consideration was needed regarding "how to measure that," and the carriers were encouraged to include in their comments any interpretation of what Network Availability might mean.[107] Not only does the record fail to support an outage or network availability problem, the Commission cannot adopt a proposed Network Availability standard that Staff itself cannot even define.

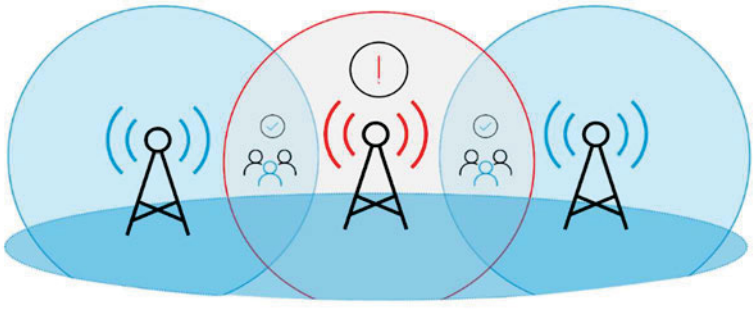
Respectfully, AT&T does not understand the proposed Network Availability standard. Under the current Cal OES community isolation outage standard, a reportable "outage" occurs when 25% of any zip code loses cell site coverage for 30 minutes on any individual carrier's network. To report community isolation outages, AT&T has developed system technology to automatically determine when any zip code in which AT&T provides wireless service loses 25% for any period longer than 30 minutes. The Network Availability standard in the Staff Proposal does not make clear how "availability" is to be measured for the proposed 99% daily

[107] August 27 Workshop Transcript at 1:13:22-1:18:49

network-uptime requirement. Moreover, the Proposal seems to suggest that 99% uptime is to be measured on a daily basis, such that a carrier shall be found to be out of compliance if only 1% of its network in any given PUMA is inoperative on any day, even for a few short hours (depending on how many macro sites the carrier operates in that PUMA).

If the Network Availability standard seeks to assure that 99% of a carrier's sites in any given PUMA are operating at all times, that is an entirely different reporting definition than the community isolation outage standard that AT&T's systems are currently designed to measure. Moreover, simply determining what percentage of AT&T sites in any PUMA are operating and on air will not measure what percentage of that PUMA's population or land area may access adequate AT&T cell signal, since AT&T's cell site coverage is overlapping, and the loss of one cell site in a certain location does not necessarily mean that all AT&T customers in that area will lose coverage. As explained earlier in this proceeding,[108] AT&T utilizes a certain process for determining the existence and impact of a cell site outage, which allows AT&T to more accurately determine a community isolation outage under Cal-OES rules. AT&T conducts this more accurate measurement by properly viewing its cell site coverage as providing overlapping spheres of coverage, as depicted in **Figure 1** below.

Figure 1



[108] *See* Leingang Decl., ¶ 15.

If the new Network Availability standard (if eventually defined) is adopted, AT&T will need to significantly recalibrate how it measures and reports "Network Availability" outages. If the Network Availability standard is adopted without any exemptions for loss of transport (beyond the planned maintenance exemption already offered in the Staff Proposal), then AT&T will need to build a second, redundant cell site network (discussed *infra*), at significant cost.

AT&T's California outage reporting is currently based on determining what percentage of a zip code loses coverage when any cell site suffers an outage – that reporting system would need to be altered or expanded to meet whatever Network Availability standard the Commission ultimately designs. Because there is no evidence in the record that (1) there is an "uptime" problem in any specific PUMA, or that (2) the Staff's proposed remedies would resolve any such uptime problem, the Commission should reject Staff's as yet undefined "Network Availability" proposal. The Commission should instead adopt the outage-reporting framework described in Section IV standardized reporting, developed with parties, Cal OES, and industry stakeholders, that uses appropriate aggregation levels and contextual information to evaluate reportable outage experience over time. Reporting—not an undefined daily PUMA standard and penalties—is the proper next step for determining whether any localized, recurring, carrier-caused service-quality issue actually exists.

1. The Proposed Network Availability Penalties are Duplicative of the 24-Hour Outage Penalty.

AT&T has, on average, 25 cell sites per PUMA across the 281 PUMAs in California, a median of 21 cell sites in each PUMA, and a range of 7 to 112 sites in each PUMA, as set out below.

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Table D

# of Sites	# of PUMAs	% of All PUMAs
1–25 macro sites	178	63.3%
26–50 macro sites	89	31.6%
51–75 macro sites	10	3.6%
76–100 macro sites	3	1.2%
100+ macro sites	1	.3%

Based on the distribution of AT&T cell sites across the state, and the proposed penalty structure for non-compliance with "Network Availability" (if that standard is indeed to be measured based on the percentage of cell sites on air on any given day in a given PUMA), the loss of just one AT&T cell site for just 6 hours in a PUMA where AT&T has 25 sites or fewer (which is 63.3% of the PUMAs) would result in a $5,000 fine, with the fine escalating as an outage lasts longer than 6 hours. 89 PUMAs have between 25 and 50 or fewer AT&T cell sites (31.6% of all PUMAs). Depending on how the Commission seeks to define Network Availability, if just one AT&T site is without service for just 12 hours in any of those 89 PUMAs, AT&T would incur a $5,000 penalty, again with the fine escalating as the outage lasts longer. This punitive penalty scheme is illustrated in **Table E**, below.

Table E

# of Sites	# of PUMAs	% of All PUMAs	Max Hours before Penalty
1–25 macro sites	178	63.3%	6
26–50 macro sites	89	31.6%	12

51–75 macro sites	10	3.6%	18
76–100 macro sites	3	1.2%	24

The Network Availability penalty, which would be assessed after very short outages in most PUMAs for AT&T, would be in addition to the 24-hour outage repair penalty also proposed by Staff, and thus would amount to an unreasonable and unnecessary double penalization for the same outage under two different service quality standards. This is wholly unreasonable.[109]

2. The PUMAs Highlighted in the Staff Proposal Already Enjoy 99% Network Availability.

The Staff Proposal asserts that "statewide averages [regarding network availability] often mask repeated failures in specific rural communities."[110] This observation is presumably the driving force behind the recommendation of PUMAs as the basis for outage reporting, in that it suggests carriers are hiding low performing PUMA network availability numbers in larger statewide numbers, to support Staff's 99% network uptime. As discussed, there is no evidence in the record to support this assumption.

Earlier in this proceeding, AT&T calculated its total number of cell sites in the state and determined the total minutes of transmission from those collective cell sites in the years 2023 – 2025. AT&T then calculated the total number of outage minutes for those same years and divided the total possible minutes of operating AT&T cell sites by the number of reported

[109] At the August 27, 2026 Workshop, Staff seemed unaware that under their Proposal a carrier could be penalized in two different categories for the same outage. *See* August 27 Workshop Transcript at 28. Q: "So,…when you prepared the proposal, did you understand that indeed one event could trigger two penalties in two different categories?" Staff: "... I mean…there's no intention to trigger both."

[110] Staff Proposal at 16.

community isolation outage minutes. Based on that calculation, AT&T determined that in the years 2023 – 2025, its AT&T wireless network had a total uptime of ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL ***.[111] Staff appears to believe that if the carriers were to carve out statistics for specific rural, less affluent PUMAs, the total uptime in those areas of the state would be significantly less than the total state numbers. This assumption is not supported by the data, however.

To justify its PUMA proposal, Staff points to Alpine-Amador; Lake-Mendocino; and Nevada-Sierra Counties as three particular PUMAs with supposedly lower levels of network quality (and presumably lower network uptime percentages), when compared to other more urban and more affluent counties. Based on this misassumption, Staff claims that carriers' aggregating all zip codes (when evaluating Cal OES based network availability) into statewide network availability "masks" the underperformance of carriers' networks in more rural, less affluent PUMAs.[112] This is not the case, however, as set out in **Table F,** below, which reflects the **annual** uptime percentages in 2025 in the three PUMAs highlighted by Staff in the Proposal.

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[111] The Opensignal network availability numbers cited in the Staff Proposal at 26 (though they support the overall uptime percentages calculated by AT&T) are calculated in a far different manner than AT&T's outage measurements. Opensignal measures network availability by tracking communication between (1) device owners with an Opensignal app, and (2) nearby cell towers. *See generally* https://www.opensignal.com/our-approach. Moreover, Opensignal's data and network uptime percentages are calculated on a monthly average for the entire country. *Id*. The Staff Proposal would apparently apply the 99% Network Availability standard to **each individual PUMA in California on a daily basis.** The record contains no information to establish that a 99% daily standard is reasonable for any given PUMA. Some areas are inherently more difficult to provide or maintain wireless service, and a 99% daily standard has not been established as reasonable, particularly when the Proposal offers no exemptions for power or transport loss.

[112] Staff Proposal at 16.

Table F

*****BEGIN CONFIDENTIAL**

[redacted]

END CONFIDENTIAL ***

The **monthly** uptime for each of the above PUMAs in 2025 also never dips below 99%.[113] Only by insisting that uptime be measured by the **day** can Staff possibly manufacture a PUMA wide uptime below 99%.[114] This approach is not how uptime is traditionally measured. A daily measurement would amount to a "zero tolerance" policy for outages and run counter to the reasonable observation that outages are inevitable and simply cannot be avoided all the time.[115]

The proposed daily PUMA-level Network Availability standard would not accurately reflect the reliability or quality of service experienced by customers. AT&T's wireless network provides very high levels of availability, including in the PUMAs discussed above. But wireless networks operate in real-world conditions that include events outside carriers' control, such as third-party transport outages, commercial power interruptions, vandalism, construction-related damage, and necessary planned maintenance.[116] In addition, many PUMAs contain relatively

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[113] *See* Exhibit C to Declaration of Joshua Mathisen ("Mathisen Decl."), filed herewith, in which, based on AT&T's community isolation outage data for 2025, the 3 PUMAs highlighted by Staff in the Proposal are shown to have network uptime in excess of 99% in **each month** of 2025.

[114] *Id*.

[115] Staff itself touts the Opensignal network availability measurement as a benchmark target for all carriers. But, set discussed, *supra,* the Opensignal availability metric is measured by users' communications with cell towers (which is not how community isolation outages are determined), and is based on a *national average* **measured annually, not daily.**

[116] *See* footnote 104, *supra* (partial list of GO 133-E exemptions).

few cell sites,[117] making daily measurements especially sensitive to isolated events. In those circumstances, a routine, short outage affecting a small number of sites or a single site—often without any corresponding customer-visible service impact because of overlapping coverage and network mitigation measures—could result in penalties even when the network is providing reliable, high-quality service overall. As the measurement period and geography become smaller, isolated events can have an outsized effect on the reported result, producing penalties that do not correspond to actual customer impact or overall network performance.

F. To Avoid the Proposed Network Penalties, AT&T Would Need to Construct an Entirely New Redundant Network.

As set out in the Verification and Declaration of Joshua Mathisen, filed herewith, if the Commission adopts the 24-hour and Network Availability penalties recommended in the Staff Proposal, and not adopt the exemptions for outages beyond the carriers' control (similar to GO 133-E), then AT&T estimates that it will need to construction a redundant network complete with redundant transport facilities and duplicative macro cell towers, to avoid the outage penalties proposed. The precise cost of constructing such a redundant network is extremely difficult to estimate, but AT&T very conservatively estimates that such construction would require a one-time cost of approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*****, consisting of approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** for redundant transport and approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** for redundant macro cell sites, and an additional annual recurring cost to operate that additional network of approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*****.[118] These cost

[117] *See* Table D, *supra*.

[118] *See generally,* Mathisen Decl.

estimates do not take into consideration the many years that would be required to construct these redundant transport and macro cell site networks, and the arduous and expensive job of securing the many permits, easements, lease agreements, and right-of-way access rights to install those facilities.[119]

G. The Proposed Penalties Are Unconstitutionally Excessive.

Staff's proposed penalties would violate the Excessive Fines Clause of the Eighth Amendment to the U.S. Constitution, which is applicable to state entities under the Fourteenth Amendment's Due Process Clause.[120] The Proposal itself contemplates that the providers could face fines in the multi-million dollars under the proposed outage repair standard and related penalties mechanism.[121] Such fines are "grossly disproportional" to the action prohibited.[122] For similar reasons, these penalties would transgress constitutional bounds under substantive due process cases.[123] These constitutional infirmities will be exacerbated if the Commission does not apply all the exemptions in GO133-E (for POTS and VoIP providers) to wireless providers. Without those appropriate exemptions, wireless providers would be subject to draconian penalties under the proposed standards even for unforeseeable events beyond their control.

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[119] *Id.*

[120] *Timbs v. Indiana*, 139 S. Ct. 682, 687 (2019); *Pimentel v. City of L.A.*, 974 F.3d 917, 922 (9th Cir. 2020).

[121] *See, e.g.*, Staff Proposal at 39–40 ("CD's proposed fine would result in fines totaling $17,310,000 split among the three wireless carriers").

[122] *See U.S. v. Bajakajian*, 524 U.S. 321, 336-337 (1998).

[123] *See, e.g.*, *In re Exxon Valdez*, 270 F.3d 1215, 1239–1240 (9th Cir. 2001); *BMW of N. Am., Inc. v. Gore*, 517 U.S. 559, 574–475 (1996).

H. The Propagation Map Proposal is Ill-informed and Unnecessary.

Staff recommends the Commission "require wireless carriers to post signal propagation maps on their public websites where they advertise or provide wireless coverage maps."[124] Staff further recommends that these maps should "distinguish expected service conditions using clear color categories based on signal strength thresholds," [125] and should "display the following coverage thresholds in an online, publicly available map: -84 dBm, -100 dBm, and -120 dBm." Staff also recommends that the maps be updated annually by January 31."[126] These recommendations are unnecessary and are based on an inaccurate understanding of wireless service in general-and voice service in particular.

There is no evidence in the record that consumers want or need propagation maps showing whether carriers have -84, -100, or -113 dBm coverage in any area of California. Consumers already have access to wireless coverage information through AT&T's website and the FCC's website, respectively. Staff's recommendations to require carriers to post signal propagation maps using specific dBm thresholds lack evidentiary support, since there is no cited testimony to establish that consumers seek this level of detail from their wireless carriers, beyond a cited recommendation from the Cal Advocates office.

AT&T has a 14-day "no questions asked" return policy. If a customer purchases wireless service or a wireless device from AT&T, that customer may cancel that service and return the device without penalty.[127] The idea that consumers "need to know what they are buying," before

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[124] Staff Proposal at 45.

[125] *Id*. at 45-46.

[126] *Id.* at 46.

[127] *See* https://www.att.com/wireless/return-policy/.

they buy, by having an advanced understanding of a wireless provider's coverage strength[128] is thus factually unsupported. Any AT&T service may be canceled and any device may be returned, for any reason, including if a customer decides their coverage is inadequate following purchase. There is no factual support that consumers need this information in advance, and no evidence to suggest that the online AT&T and/or FCC maps are not adequate to provide the needed information regarding network coverage in any particular geographic area. The excessive map recommendation in the Proposal is based on speculation and not any demonstrated customer complaints or need. As stated, *supra,* a proper regulatory decision cannot rely on speculative or potential harm and must be supported by findings and evidence showing the existence of an actual problem that the proposed regulation is designed to address.[129] The Proposal offers no such evidence or justification for its map recommendation.

The proposed mapping requirements would impose an unnecessary burden on the carriers, would not be based on any demonstrated need, would provide no corresponding benefit, and would likely confuse consumers, rather than provide additional useful information to allow decisions between providers, and should be rejected. The Commission should instead adopt the more measured approach described in Section IV: a customer education and transparency resource on the Commission's website explaining how existing wireless coverage maps should be understood, why indoor and outdoor experiences may differ, and where customers can find existing federal and carrier coverage resources. That approach would advance transparency without imposing unsupported signal-strength thresholds or requiring maps that may mislead rather than assist customers.

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[128] *See generally* Staff Proposal at 47.

[129] *See generally Phonetele, Inc. v. Public Utils. Com.,* 11 Cal. 3d 125, 129-131 (1974).

IV. AT&T's Alternative Proposal: The Commission Should Reject Staff's Proposed Standards and Adopt a Reporting and Transparency Framework.

The Staff Proposal should be rejected. The current record does not support adoption of prescriptive wireless service quality standards, daily compliance obligations, or penalty mechanisms. At most, the record supports a measured reporting and transparency framework that would allow the Commission, Staff, parties, and the public to better understand how wireless networks perform over time, where recurring outage concerns may arise, and whether additional action is warranted after a meaningful period of data collection.

That period should be no less than two to three years. Wireless networks are dynamic, geographically diverse, and affected by factors that vary substantially by season, geography, weather, power availability, transport facilities, permitting constraints, and consumer demand. A single workshop cycle and limited snapshot of aggregated outage data are not sufficient to justify immediate standards or penalties. The better course is to collect standardized information, review it publicly, and fully develop the record before the Commission considers whether any further action is appropriate.

The Staff Proposal itself supports this more cautious approach. Staff repeatedly identifies gaps in available information and explains that the Commission needs standardized, comparable data. Staff states that "[s]ervice quality standards and reporting transparency are necessary to determine whether the carriers advertised network performance translates into reliable service for California customers, including measurable data on network availability, outage duration, restoration time, and coverage."[130] Staff also explains that "the issue is not whether service quality data can be measured, but whether it should be reported to the Commission in a

[130] Staff Proposal at 8.

standardized format."[131] And in discussing network availability, Staff asserts that broad averages may obscure localized issues and that additional reporting could help identify where outages are occurring and what they mean.[132]

These Staff statements do not support immediate penalties; they support further reporting. Commissioner Darcie L. Houck likewise emphasized at the August 27, 2026, Workshop that the proceeding was still in an information-gathering phase and that the workshop was intended to "gather information" and ensure the Commission had "an adequate and complete record to make decisions."[133] A reporting framework is the appropriate next step to build that record.

A. The Commission Should Adopt a Two-to-Three-Year Reporting Framework and Provide for Annual Public Review Through an En Banc or Staff-Led Workshop

Rather than adopt the proposed standards and penalties, the Commission should require facilities-based wireless carriers to submit standardized quarterly and annual reports for at least two to three years. The specific contents and format of those reports should be developed after consultation with parties, Cal OES, and industry stakeholders. At a minimum, the reports should provide categories of information sufficient to evaluate network availability, reportable outage experience, customer support outcomes, billing inquiry resolution, and regional trends, including information relevant to rural and tribal areas, without prejudging whether additional standards or enforcement mechanisms are warranted.

The Commission should also provide for annual public review through an en banc or less formal Staff-led workshop with industry and stakeholders. An annual en banc may be appropriate to seek a broader public forum for Commissioners, Staff, wireless carriers, consumer advocates,

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[131] *Id*. at 23.

[132] August 27 Workshop Transcript at 03-43-04:03

[133] CPUC Wireless Service Quality Workshop (Aug. 27, 2026), Commissioner Houck remarks, 3:53-4:13.

local governments, tribal representatives, emergency-response stakeholders, and other interested parties to review the reports and discuss trends. A Staff-led workshop with industry and interested stakeholders may be equally appropriate—and potentially more productive—if the goal is to examine technical reporting issues, identify data gaps, ask practical questions, and develop targeted process improvements in a collaborative setting.

This approach aligns with Staff's stated concern that available information is not yet sufficiently standardized. It also allows the Commission to evaluate whether recurring problems exist, whether they are caused by factors within or outside a carrier's control, whether they involve coverage rather than service quality, and whether they are already being addressed through existing operational practices, resiliency planning, customer-facing tools, or competitive market incentives. Either forum would provide transparency and accountability without prematurely converting an incomplete record into a penalty regime. The appropriate format can be determined based on the issues presented by the reports and the Commission's objective for that year's review.

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B.

C. Network Availability Reporting

The Commission should require network availability reporting but should reject Staff's proposed 99% daily PUMA standard and associated penalties. The record does not establish that a daily PUMA standard is technically defined, operationally workable, or legally appropriate. Nor does the record show how Staff's proposed standard would account for overlapping coverage, planned maintenance, backhaul failures, commercial power outages, wildfire damage,

access restrictions, public safety power shutoffs, vandalism, cable cuts, or other circumstances outside a carrier's control.

Staff's own presentation confirms the need for additional information, not immediate mandates. At the August 27 workshop, Staff raised the possibility that statewide averages may not fully capture localized customer experience,[134] and Rob Osborn made a related observation regarding the distinction between global uptime measures and local user experience.[135] But those observations identify a question for further reporting; they do not establish that widespread, recurring, or carrier-caused localized availability problems exist.

That is precisely why reporting should come first. A reporting framework would allow the Commission to evaluate whether localized issues actually exist, whether any such issues are recurring, whether they are attributable to a wireless carrier, and whether they are best addressed through network investment, resiliency coordination, customer education, permitting support, or other measures. Until that record is developed, the Commission should not convert untested concerns into enforceable standards or penalties.

Accordingly, any network availability reporting requirement should use county-level aggregation as the appropriate geographic unit for outage reporting, while allowing carriers to provide contextual information explaining significant events. The details of the reporting template—including reporting periods, categories of outage information, and explanatory narrative, and implementation feasibility—should be developed through consultation with parties, Cal OES, and industry stakeholders. Such reporting may include, as appropriate,

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[134] CaliforniaPUC, *Integration Capacity Analysis (ICA) Workshop 2026 Second Quarter R.26-06-017* ("June 25 Workshop Transcript"), YouTube (July 3, 2026), https://www.youtube.com/watch?v=r83rddAnaRU at 54:19-55:03.

[135] CPUC Wireless Service Quality Workshop (June 25, 2026), Rob Osborn remarks, 4:20:56-4:21:29.

information regarding reportable outages, known outage causes, restoration context, and significant external conditions such as planned maintenance, force majeure events, transport disruptions, commercial power failures, public safety power shutoffs, permitting delays, access restrictions, or emergency conditions.

Cal OES testimony supports this reporting-first approach. Cal OES explained that community isolation reporting could be improved and suggested a task force or working group to discuss "better reporting" and "what can we get that's a little bit sharper" to identify outages and get resources to the right place.[136] That is exactly the type of collaborative reporting framework the Commission should adopt.

D. Billing-Related Inquiries

The Commission may adopt a billing-related inquiry reporting requirement and retain the GO 133-E 90-day billing inquiry resolution framework as a customer outcome measure. Staff's proposal identifies billing inquiry resolution as one of the customer service criteria and states that carriers should "[r]esolve billing-related inquiries within 90 days from the initial customer inquiry."[137]

This requirement is materially different from Staff's proposed answer-time and network availability standards. It focuses on an actual customer outcome: whether the customer's billing issue is resolved. It is also familiar, administrable, and less likely to impose operational requirements disconnected from customer experience.

AT&T supports retaining the familiar GO 133-E 90-day billing inquiry resolution framework as a reporting measure, rather than adopting new or different billing-related

[136] CPUC Wireless Service Quality Workshop (June 25, 2026), Andrew Mattson remarks, 2:20:49-2:21:37.

[137] Staff Proposal at 43.

obligations in this proceeding. Billing-related reporting over a two-to-three-year period will allow the Commission to assess whether wireless customers are experiencing systemic billing inquiry resolution problems before considering any modification to existing standards.

E. Customer Service Measures Should Focus on Customer Outcomes, Not Prescriptive Answer-Time Rules

The Commission should reject Staff's proposed wireless answer-time standard. The record does not support imposing a daily answer-time rule or a $20,000-per-day penalty for noncompliance. Wireless customer care is nationwide, multi-channel, and dynamic. Customers may use phone, chat, digital self-service, retail stores, apps, callbacks, and other tools. A rigid answer-time standard would not necessarily improve customer outcomes and may instead distort carrier operations by prioritizing speed of answer over issue resolution.

The workshop record supports that conclusion. AT&T explained that "resolution" is "10 times more valuable to the customer than how quickly we pick up the phone," and that answer time is only "a very, very small piece" of the customer relationship.[138] T-Mobile similarly explained that "answering the phone fast does not guarantee a high NPS," because customer satisfaction depends on whether the customer's issue is resolved.[139] Verizon also stated that "short answer time doesn't necessarily mean a great experience" unless the customer reaches a trained and capable agent who can address the issue.[140]

The record also shows that Staff does not yet have sufficient customer service data to justify a prescriptive answer-time rule. At the June 25 workshop, ALJ Glegola asked whether there were other data identifying wireless customer service issues, and the ALJ Summary states

[138] CPUC Wireless Service Quality Workshop (June 25, 2026), Stanley Vigil remarks, 53:18-54:04.

[139] CPUC Wireless Service Quality Workshop (June 25, 2026), John Consalvo remarks, 1:12:21-1:13:33.

[140] CPUC Wireless Service Quality Workshop (June 25, 2026), Connie Chaffins remarks, 1:27:25-1:28:42.

that "[n]one of the parties had relevant data available."[141] At the August 27 workshop, Staff again invited parties to provide additional research or data regarding whether California customers are dissatisfied with wireless customer care.[142]

The Commission should therefore require customer outcome reporting, not prescriptive answer-time standards. Carriers should include in annual reports narrative and trend information using existing measures, which may include information about issue resolution, repeat contacts, callback options, customer support channels, access to live support, complaint trends, and customer satisfaction with timely resolution. The annual en banc would provide a forum to review that information and determine whether any further action is appropriate.

F. Customer Coverage Resources and CPUC Website Tools

The Commission should reject Staff's proposed signal propagation map mandate. The record does not establish that Staff's proposed signal-strength thresholds are appropriate for a statewide regulatory requirement, that public posting of propagation maps would avoid critical infrastructure or competitive concerns, or that such maps would reliably predict indoor customer experience in light of building materials, terrain, foliage, weather, device differences, and network conditions.

At the same time, AT&T supports reasonable customer education and transparency. Staff explained that the purpose of signal propagation maps would be "to establish a way for California customers to be informed on whether or not wireless service is usable and reliable

[141] ALJ Summary of the June 25, 2026 Workshop, Attachment B, at 11.

[142] CPUC Wireless Service Quality Workshop (Aug. 27, 2026), Staff/industry exchange, 2:04:30-2:05:14.

indoors in specific locations."[143] Cal Advocates similarly characterized the proposal as focused on "data transparency" rather than dictating how carriers build or manage their networks.[144]

The Commission can advance that objective without adopting Staff's proposed map mandate. It should create a customer resource page on the CPUC website that explains, in plain language, how wireless coverage maps should be understood, why indoor and outdoor experience may differ, and what resources customers can consult when evaluating service options. The page could link to existing federal coverage resources and other publicly available consumer tools, explain the limits of coverage maps, provide information about how to compare providers, and direct customers to the Commission's complaint process.

This approach is also consistent with TURN's recommendation that customers experiencing service problems should receive information about how to contact the Commission's Consumer Affairs Branch so the Commission can better understand where problems occur.[145]

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G.

H. Penalties Are Not Supported and Would Raise Jurisdictional Concerns.

The Commission should not adopt wireless service quality penalties in this proceeding. The record is insufficient, the proposed standards are not adequately defined, and Staff has not shown that penalties would improve wireless service outcomes. At a minimum, the Commission

[143] CPUC Wireless Service Quality Workshop (Aug. 27, 2026), Martin Diaz remarks, 2:16:29-2:17:42.

[144] CPUC Wireless Service Quality Workshop (June 25, 2026), Josh Srago and Rob Osborn exchange, 5:30:09-5:31:55.

[145] CPUC Wireless Service Quality Workshop (June 25, 2026), Regina Costa remarks, 33:01-34:46.

should collect standardized reporting for two to three years before even considering whether any additional action is warranted.

Even then, the Commission should not assume that monetary penalties for wireless service quality are within its jurisdiction. Wireless service is subject to a distinct federal regulatory framework, and any future consideration of penalties would require careful legal analysis of federal law, state authority, and the limits of the Commission's jurisdiction. AT&T reserves all rights to challenge any penalty mechanism as unlawful, preempted, unsupported by the record, or otherwise beyond the Commission's authority.

The Commission therefore should reject Staff's proposed penalty framework in its entirety. If the Commission determines that additional information is needed, it should gather that information through reporting and public review, not through premature enforcement obligations.

I. Proposed Ordering Paragraph Concept

The Commission should reject the Staff Proposal's proposed wireless service quality standards, daily compliance obligations, corrective action plan requirements, signal propagation map mandate, and penalty mechanisms. In their place, the Commission should direct facilities-based wireless carriers to submit standardized quarterly and annual reports for a period of at least two to three years. The reports should address categories of information sufficient to evaluate network availability, reportable outage experience, billing inquiry resolution, customer support outcomes, and regional trends, including information relevant to rural and tribal areas. The Commission should direct Communications Division to develop the reporting template after consultation with parties, Cal OES, and industry stakeholders, including consideration of appropriate aggregation levels, reporting periods, contextual information, and implementation

feasibility. The Commission should also provide for annual public review through an en banc or Staff-led workshop to review the reports, discuss trends, identify data gaps, assess customer outcomes, and determine whether additional reporting or other lawful action is warranted.

V. The June 25 Virtual Workshop Does Not Support Staff's Proposed Wireless Service Quality Standards.

The June 25 Virtual Workshop does not establish that Staff's proposed standards, penalties, reporting mandates, or PUMA-based metrics would improve service quality. The workshop record was mixed and contested. It included community concerns but also included substantial testimony explaining that many concerns involve coverage and infrastructure, that outage reports are affected by reporting thresholds and conservative reporting practices, and that wireless reliability is best managed through real-time operational tools and resiliency investments rather than static compliance benchmarks.

A. The Workshop Summary Reflects a Mixed and Contested Record.

The Workshop Summary should not be read as establishing a one-sided evidentiary basis for new statewide wireless standards. The record was mixed – community representatives, local officials, public-safety agencies, advocacy organizations, and wireless providers offered different perspectives on outage causes, reported outage data, and the appropriate regulatory response. The Staff Proposal, however, disproportionately relies on community and advocacy testimony while giving limited weight to carrier evidence regarding outage causes, network operations, resiliency practices, and existing performance levels.

Wireless providers explained at the Workshop that reported outages may result from circumstances outside their control, including commercial power failures, backhaul interruptions, cable damage, vandalism, natural disasters, access limitations, and restoration constraints. Verizon's Andis Kalnis identified cable damage as "the largest cause of network outages" in the

wireless network, and described digging damage, rodent damage, vandalism, disasters, weather, foliage, microwave degradation, lack of backhaul options, backup-power constraints, zoning restrictions, and third-party transport dependencies as contributors to outages and restoration delays.[146]

B. Many Stakeholder Concerns Involved Coverage and Infrastructure, Not Service-Quality Failures.

The Workshop Summary also confirms that many stakeholder concerns involve coverage, infrastructure availability, geography, rural economics, zoning, and the absence of overlapping networks. Matt Rantanen explained that tribal communities often have "cellular coverage along thoroughfares" and that coverage may be "very good at the edge of the reservation," but "as you venture onto the reservation and you move your way inland away from that thoroughfare there is no coverage."[147]

Chief Ken Kehmna made the same point from a public-safety perspective and explained that the wireless network "doesn't need to just be reliable" because "we need to see it expanded" and "we need more coverage."[148] He later emphasized that where communities have "no towers or single towers," public-safety stakeholders "want to see the infrastructure put in place so that everybody has connectivity."[149]

These concerns are important, but they do not represent service-quality failures. Coverage gaps arise where facilities are absent or deployment is constrained by geography, permitting, economics, or infrastructure availability; service-quality issues concern the

[146] Wireless Service Quality Workshop (June 25, 2026), Andis Kalnis remarks, 3:06:27–3:10:18.

[147] Wireless Service Quality Virtual Workshop (June 25, 2026), Matt Rantanen remarks, 3:38:10–3:38:35.

[148] Wireless Service Quality Virtual Workshop (June 25, 2026), Ken Kehmna remarks, 3:58:37–3:58:46.

[149] Wireless Service Quality Virtual Workshop (June 25, 2026), Ken Kehmna remarks, 4:03:04–4:03:26.

performance of facilities that already exist. The workshop record therefore supports separating coverage and deployment concerns from service-quality regulation and does not warrant using stakeholder concerns about coverage to justify outage standards, customer-service rules, reporting mandates, or PUMA-based metrics.

C. Cal OES Reports Are Situational Awareness Tools, Not Service-Quality Targets.

The workshop highlighted why raw outage counts should not be treated as evidence of deteriorating network performance. Cal OES explained how wireless carriers are require to report that outages lasting 30 minutes and affecting 25 percent of a carrier's coverage in a single ZIP code, while wireline and VoIP providers report under different criteria.[150] Commissioner Houck later noted the change "from the 50 to 25%," and Andrew Mattson responded that Cal OES reached the 25 percent standard because "the concern was that 50% just was too high" and Cal OES "wanted to see a little bit of a sharper number."[151] AT&T explained that it was this change in the "reporting rules, [and] not deteriorating network performance, [that] explain[s] much of that increase."[152]

The workshop further reflected how carriers may report outages conservatively when there is apparent uncertainty. Verizon explained that it will "err on the side of over reporting" rather than underreporting so that people are aware that something may be occurring in their area.[153] AT&T likewise stated that it had taken "a very conservative approach" to reporting and

[150] Wireless Service Quality Workshop (June 25, 2026), Andrew Mattson remarks, 1:57:15–1:57:44.

[151] Wireless Service Quality Workshop (June 25, 2026), Commissioner Houck and Andrew Mattson exchange, 2:17:05–2:18:54.

[152] Wireless Service Quality Workshop (June 25, 2026), AT&T remarks, 2:28:43–2:29:17.

[153] Wireless Service Quality Workshop (June 25, 2026), Andis Kalnis remarks, 3:04:53–3:05:07.

had "recently been able to refine" its own outage determination methods, reducing this overreporting and resulting in "a really significant drop in the number of outages" reported. [154]

Cal OES testimony also showed that community-isolation reporting was designed for situational awareness, not enforcement. Andrew Mattson explained that Cal OES's goal is "to get some level of precision in outage reporting" so that it can provide public notification through local partners and other channels.[155] He also explained that Cal OES receives "hundreds and hundreds and hundreds" of outage notifications daily, resulting in "an overflow of information," and that some reports may involve information that is "not all of which is useful."[156]
That context undercuts reliance on raw outage counts, ZIP-code counts, outage maps, PUMA overlays, and cumulative outage statistics without accounting for reporting-threshold effects and reporting artifacts. The relevant question is not simply whether reported counts increased, but whether those counts—properly understood in light of the reporting rules, reporting practices, and purpose of the reports—identify an actionable service-quality problem that the Staff Proposal would solve.

The workshop's discussion of possible numerical outage limits illustrates the danger of using reported Cal OES events as blunt regulatory targets. ALJ Glegola posited, hypothetically, that if approximately 45,000 reported community-isolation events were viewed as too high, the Commission might require the industry to reduce that number to 30,000 events per year.[157] But one cannot simply cut the allowable number of reported outages without first understanding what caused them, whether they were within a carrier's control, whether they reflected conservative

[154] Wireless Service Quality Workshop (June 25, 2026), AT&T remarks, 3:18:20–3:18:45.
[155] Wireless Service Quality Workshop (June 25, 2026), Andrew Mattson remarks, 1:58:01–1:58:22.
[156] Wireless Service Quality Workshop (June 25, 2026), Andrew Mattson remarks, 2:04:17–2:05:26.
[157] Wireless Service Quality Workshop (June 25, 2026), ALJ Glegola remarks, 3:23:56–3:24:54.

reporting, and whether they corresponded to actual customer impacts. Verizon responded that carriers may report conservatively and that a "hard and fast number" is not the right approach.[158] AT&T similarly explained that outage counts must account for events outside a carrier's control, including wildfires that destroy cell sites or transport facilities, and emphasized that Cal OES reports exist to provide situational awareness to public safety—not to serve as penalty-based regulatory targets.[159]

D. The Workshop Supports Actionable, Evidence-Based Regulation—Not Statewide Standards Built on Anecdotes or Static Benchmarks.

The workshop showed that wireless networks are managed through real-time operational tools and resiliency investments rather than static compliance benchmarks. AT&T explained that the Cal OES community-isolation data "are not customer level outage data" and "are not a substitute for the real-time performance management, operational tools and strong competitive incentives that already drive wireless reliability."[160] AT&T further explained that carriers use "automation analytics and AI enabled tools" to detect network stress, correlate alarms, prioritize restoration based on customer impact, and reroute traffic where possible, "often before customers even notice the problem."[161]

Other providers described similar operational and resiliency practices. T-Mobile explained that when fiber is cut, it can use VSAT, deploy COWs and COLTs, and adjust antenna tilt to restore or improve coverage, while recognizing that those temporary mitigations may not

[158] Wireless Service Quality Workshop (June 25, 2026), Andis Kalnis remarks, 3:25:12–3:26:26.

[159] Wireless Service Quality Workshop (June 25, 2026), AT&T remarks, 3:26:30–3:27:56.

[160] Wireless Service Quality Workshop (June 25, 2026), AT&T remarks, 2:25:51–2:26:25.

[161] Wireless Service Quality Workshop (June 25, 2026), AT&T remarks, 2:29:29–2:30:49.

change the formal end time on Cal OES reports because the reports reflect baseline macro-site coverage.[162]

Stakeholder experiences are valuable and should inform the Commission's policy discussion, but anecdotal examples from individual counties, tribal representatives, fire officials, community advocates, or public participation hearing speakers do not by themselves establish that statewide service-quality standards, outage mandates, penalty structures, customer-service obligations, or PUMA-based metrics are warranted. The workshop record supports only a narrower conclusion: any new requirement should be tied to a clearly defined service-quality problem, reliable evidence, and a showing that the proposed rule would address that problem.

VI. Staff Has Overstated the Evidentiary Weight of the Public Participation Hearing.

AT&T appreciates the Commission's efforts to hear directly from Californians through the Public Participation Hearings (PPH) and agrees that public input can help identify issues warranting further examination. However, Staff's Proposal places disproportionate weight on selected anecdotal statements while giving insufficient consideration to the broader record developed in this proceeding, including workshop testimony, operational evidence, technical information, and carrier comments. Public comments may provide valuable context, but individual experiences cannot establish the existence, prevalence, root causes, or appropriate remedies for alleged statewide service quality issues.[163]

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[162] Wireless Service Quality Workshop (June 25, 2026), Andy Gormley remarks, 2:49:41–2:50:57.

[163] Public participation hearings provide an important opportunity for members of the public and interested stakeholders to present their views directly to decision makers. However, scholars have observed that hearing participants are generally self-selected and therefore may not constitute a representative cross-section of the broader public. See Lightbody, R., (2024) "Evaluating the Role of Public Hearings within Deliberative Democracy: Operationalising the Democratic Standards as a Framework", *Journal of Deliberative Democracy* 20(1). doi: https://doi.org/10.16997/jdd.1454 at pp 2,11 (describing hearings as "self-selecting" processes that allow citizens to be heard while noting that participants do not necessarily represent a "true microcosm of wider society").

Indeed, the PPH record reflects a far more mixed set of views than suggested by the Staff Proposal. While some participants supported additional regulation, many others opposed imposing wireless service quality requirements or cautioned that additional regulation could increase consumer costs and reduce investment. For example, Alexander Friedman reported certain coverage concerns but nevertheless stated that he was "overall thankful" for Verizon prepaid service and hoped the service would continue.[164] Likewise, Juliane Canete stated that he had experienced "reliable, high-quality service" throughout California and urged the Commission not to "fix a wireless ecosystem that is already thriving and rapidly improving."[165] Business owners, nonprofit representatives, educators, and community organizations similarly expressed concern that imposing utility-style regulation on wireless carriers could increase costs and discourage continued network investment.[166] These comments are part of the same PPH record relied upon by Staff but receive little attention in the Proposal.

The PPH transcripts also reflect a far broader range of viewpoints and issues than suggested by the Staff Proposal. While some participants supported additional wireless regulation, many others opposed new requirements or expressed concern that additional regulation could increase costs and reduce investment. For example, Juliane Canete testified that

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[164] July 15 PPH Transcript at 15, Alexander Friedman remarks ("I'm overall thankful for having the Verizon prepaid.").

[165] July 15 PPH Transcript, Juliane Canete remarks, at 25-26 (describing wireless service as "reliable, high-quality service" and urging the Commission not to regulate a wireless ecosystem that is "already thriving and rapidly improving"); *Reporter's Transcript* ("July 23 PPH Transcript"), Public Participation Hearing, Valerie Berkeley remarks, David Cafaro remarks, California Hispanic Chambers of Commerce remarks, California African American Chamber of Commerce remarks (July 29, 2026).

[166] July 23 PPH Transcript at 264-271,Will Kirkham remarks regarding EMF exposure, frequency regulation, and alleged military applications of radio frequencies; July 23 PPH Transcript at 195-197, unidentified caller remarks regarding alleged identity-theft and banking-fraud concerns involving telecommunications providers; July 23 PPH Transcript at 260-261, Deanna Higgins remarks characterizing wireless service as unreliable and advocating preservation of landline service because "landlines are lifelines."

he had experienced "reliable, high-quality service" throughout California and urged the Commission not to regulate a wireless ecosystem that he viewed as "already thriving and rapidly improving."[167] Other speakers representing businesses, nonprofit organizations, educators, and community groups similarly urged the Commission to avoid imposing additional regulations that could increase costs or discourage continued network investment.[168] The record also includes testimony regarding issues not directly related to the wireless service quality standards proposed by Staff, including EMF exposure, frequency regulation, identity-theft concerns, and preservation of landline service.[169] The breadth of testimony demonstrates that the PPHs served as a forum for Californians to express a wide variety of concerns and viewpoints, not a representative survey of support for the specific proposals advanced by Staff.

Accordingly, the Commission should evaluate the Staff Proposal based on the totality of the record rather than selected anecdotes. Public comments can identify concerns worthy of investigation, but they do not establish whether an issue is widespread, whether it is attributable to carrier conduct, whether existing competitive and operational incentives are addressing the issue, or whether the specific remedies proposed by Staff will improve outcomes for consumers. Those determinations should be based on a balanced assessment of all record evidence, including the substantial technical, operational, and policy information submitted by wireless providers and other parties throughout this proceeding.

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[167] July 15 PPH Transcript at 25-26.

[168] *See generally* July 15 PPH Transcript.

[169] *Id.*

VII. CONCLUSION

Based on the foregoing, AT&T respectfully requests that the Commission reject the recommendations in the Staff Proposal and consider the alternative proposals set out in Section IV, *supra.*

Date: September 8, 2026

Respectfully submitted,

/s/ Raymond P. Bolaños

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ATTACHMENT A

[PUBLIC VERSION]

ATTACHMENT A

Responses to Questions posed by Administrative Law Judge ("ALJ") re Staff Proposal

Question 1:

Provide the estimated total one-time and annual recurring incremental cost the wireless carrier would incur if the recommendations in the Staff Proposal were implemented. Include all assumptions, formulas, calculations, allocation methods, and supporting documents used to develop the estimate.

AT&T estimates that implementation of the Staff Proposal would require approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in one-time incremental costs and approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in annual recurring incremental costs. For the proposed outage and Network Availability standards, AT&T estimates approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in one-time network-construction costs and approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in annual recurring network-operating costs.[1] For the proposed Customer Service standards, AT&T estimates approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in one-time technology costs and approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in annual recurring Customer Care costs.[2]

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[1] Mathisen Declaration at 4–6.

[2] Bilski Declaration at 8–19.

Question 2:

Provide a separate cost estimate for each proposed requirement in the Staff Proposal, including Cal OES community isolation outage standard, Customer service standards, Network Availability by Public Use Microdata Areas (PUMA), and producing, hosting, and updating signal propagation maps. For each estimate, identify the cost category, whether the cost is one time or recurring, and the supporting documents used to justify the estimate.

AT&T provides the following cost for complying with the Customer Service Standards, the 24-hour community isolation outage standard, the Network Availability standard and the Propagation Maps standard:

1. **Customer service standards.** AT&T estimates approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in one-time technology costs and approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in annual recurring Customer Care costs. AT&T has not developed separate incremental cost estimates for the 24/7 telephone-access requirement or the 90-day billing-resolution requirement because those functions are handled through existing Customer Care operations. AT&T also cannot develop a reliable cost estimate for the proposed 30-minute callback option because the Staff Proposal is unclear as to how that requirement would operate with the 80/60 answer-rate requirement.[3]

2. **24-hour Cal OES community isolation outage standard.** AT&T estimates that compliance with the proposed outage standard would require redundant network facilities. The one-time cost is included in the network-construction estimate of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***, and the annual recurring network-operating cost is approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***.[4]

3. **Network Availability by PUMA.** AT&T estimates that compliance with the proposed Network Availability standard would likewise require redundant network facilities. The one-time cost is included in the network-construction estimate of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***, and the annual recurring network-operating cost is approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***.[5]

4. **Signal propagation maps.** AT&T estimates that producing, hosting, and updating the proposed signal propagation maps would require additional staffing time, but AT&T does not presently estimate a material incremental cost beyond that staffing effort.

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[3] Bilski Declaration at 8–19.

[4] Mathisen Declaration at 4–6.

[5] Mathisen Declaration at 4–6.

Question 3:

Provide an estimate for how much the average monthly bill would increase for California customers if the recommendations in the staff proposal were implemented. Include all supporting documents to justify passthrough cost estimates.

AT&T cannot predict how implementation of the Staff Proposal would affect customer bills, given competitive market conditions, contractual commitments, and other business considerations. For illustrative purposes, however, if the estimated one-time costs of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** are spread evenly over 10 years and added to estimated annual recurring costs of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***, the resulting annualized cost would be approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***. Based on approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** directly billed wireless subscribers in California, that equates to approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per customer per year, or approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per customer per month[6].

END OF DOCUMENT

[6] Mathisen Declaration at 4–6; Bilski Declaration at 19. See also Mathisen Declaration at 6 and Bilski Declaration at 19 for customer-impact calculations.

ATTACHMENT B

[PUBLIC VERSION]

ATTACHMENT B

DECLARATION OF RACHEL BILSKI

I, Rachel Bilski, declare as follows:

1. I am an Associate Director of Product Technology and Mass Markets Commercialization at AT&T, Services, Inc. I have been employed in this area for approximately 27 years. My responsibilities at AT&T include leading the planning, coordination, and execution of initiatives that ensure Care operations remain compliant with regulatory requirements, corporate mandates, and business commitments. I have personal knowledge of the facts set forth in this declaration and if called as a witness, I could and would competently testify thereto.

2. Scott Adams is an officer of AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C) and AT&T Mobility Corporation, which manage New Cingular Wireless PCS, LLC (U 3060 C), d/b/a AT&T Mobility and Santa Barbara Cellular Systems, Ltd. (U 3015 C) (collectively, "AT&T Mobility"). Mr. Adams has designated me to execute this declaration on behalf of those AT&T affiliates.

3. The information set forth in this declaration is being produced in response to certain categories of information sought by the August 19, 2026, *Administrative Law Judge's Ruling Issuing Staff Proposal* ("Ruling") in proceeding 26-02-017.

4. The information contained herein is competitively sensitive. Were it available to AT&T's competitors, it could educate those entities regarding, among other things, the costs and choices AT&T makes regarding resource and staff allocation in the management of customer service centers, and the systems AT&T employs in delivering its targeted levels of customer care. These figures, along with the methodology and analysis used to develop them, are based on

AT&T's internal data regarding, among other things, AT&T's call volumes, customer service representative hours, and overall costs for the staffing of AT&T's customer service centers.

5. The information could be used by competitors to evaluate AT&T's operations, to guide those competitors' own strategic planning, adjust their own labor models, and aid those entities in competing with AT&T in the provision of efficient and effective customer care. Disclosure of this information would place AT&T at a competitive disadvantage and could negatively harm consumers, by distorting competition and reducing incentives for investment and innovation in customer service. Based on this, AT&T derives independent economic value from the confidentiality of the information.

6. AT&T does not publicly disclose the information contained in this declaration, and takes steps to maintain the information's confidentiality, by limiting access to the information on secure systems, and assuring that only those persons within the company with a need to compile, study, or implement the data, as part of their express job function, may access and view that data. Further, AT&T employees with access to the information are required and trained to keep the information confidential and to distribute it only within AT&T on a business need-to-know basis. These efforts in maintaining confidentiality ensure the information is not readily ascertainable by competitors or others who could benefit economically from its use.

7. **Data Request 1-3 on page 2 of the Ruling** seek: (a) the estimated total one-time and annual recurring incremental cost a wireless carrier would incur if the Staff Proposal recommendations were implemented, including assumptions, formulas, calculations, allocation methods, and supporting documents; (b) a separate cost estimate for each proposed requirement, including the Customer Service Standard; and (c) an estimate of the average monthly bill increase for California customers. This declaration responds to those requests as they relate to the

Customer Service **Standard** and attached hereto as **Exhibit A** are the relevant supporting documents.

8. The Staff Proposal's Customer Service Standard includes four criteria: (i) a telephone access line available to subscribers 24 hours a day, seven days a week; (ii) answering 80% of calls within 60 seconds; (iii) a postal mail component for customer service; and (iv) resolution of billing inquiries within 90 days. The prior analysis conducted by AT&T for criteria i, ii, and iv is summarized below, followed by an updated analysis of criterion ii that considers the two new clarifications to the proposed 80/60 requirement.

9. **Criterion i — 24/7 telephone access line.** As stated in the July 27, 2026 *Response of AT&T to the Administrative Law Judge's July 10 Ruling* on page 6, AT&T currently maintains customer telephone access, including toll-free customer access, as part of its existing customer care operations. Because this function is already embedded in AT&T's ongoing customer-service operations, AT&T treats this requirement as business-as-usual and has not developed a separate incremental cost estimate for maintaining a local, toll-free, or collect-call telephone access line available to subscribers 24 hours a day, seven days a week.

10. **Criterion iii — postal mail.** As stated in the April 1, 2026 Declaration of Brian Williams 27, 2026, Attachment 2 to *Comments of AT&T on Order Instituting Rulemaking and Information Responses,* A&T currently receives approximately 5,000 to 8,000 items of postal mail each month. California represents approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** of AT&T's national wireless customer base, so it is reasonable to assume that approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** of AT&T's total correspondence volume is attributable to California. Implementation of the postal mail customer service requirement under General Order 133-E for wireless service would

potentially increase California-specific mail volumes by ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** Based on this anticipated growth, AT&T would need an estimated ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** additional employees to process, review, and respond to California mail correspondence. AT&T calculates the incremental cost for this increase in staffing by multiplying the additional staffing needed by the loaded labor rate (wages and benefits) of up to ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per week, for an approximate total cost increase for compliance with criterion iii of up to ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per year. The loaded labor rate does not include overhead or job-specific expenses.

11. **Criterion iv — 90-day billing resolution.** As stated in the April 1, 2026 *Comments of AT&T on Order Instituting Rulemaking and Information Responses* on page 18, AT&T anticipates resolving billing-related inquiries through its normal customer care channels. As these processes are already integrated into AT&T's standard operations, AT&T cannot estimate a specific additional or incremental cost associated with meeting the 90-day resolution period.

12. **First-Prompt Live Agent Option — Cost Estimate.** The first-prompt live agent clarification would allow a customer to select a live agent at the first prompt. AT&T's estimate draws from national call volumes across all of AT&T's consumer product lines and assumes that all customers would select the live-agent option at the first prompt because it will feel like a fast track to resolve their issue. AT&T assumes it can identify ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** of callers as California customers prior to the first-prompt live agent. AT&T attributes that identifiable California wireless customer volume to approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** of national call volumes.

13. Under these assumptions, the identifiable California wireless-services customers would account for ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***of national call volumes ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***of the approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** of national call volumes attributed to that group). The remaining ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** of national call volumes represents callers who cannot be identified as California customers before the first-prompt live-agent option. Thus,***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***plus ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***produces a total of ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***of national call volumes that would request to speak to a live agent under this scenario. To meet this demand, AT&T would need to hire approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** to ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** new customer service representatives. A range is provided because AT&T may hire full-time employees, contractors, or a combination of both. Based on those additional staffing requirements, AT&T estimates the annual incremental labor recurring cost would be approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** to ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per year.

14. If AT&T hires full-time employees, AT&T must also account for associated overhead costs. The incremental costs provided herein for meeting the customer service standard does not include these overhead costs but would add to the cost to implement the standard.

15. This estimate also does not account for the buildout or acquisition of new call center space that would be required to accommodate the additional full-time employees needed

to meet the 80/60 criterion with the first-prompt live agent requirement. Any such buildout or acquisition would increase both the one-time and annual cost estimates.

16. The above figures do not include additional one-time implementation costs that would be required to modify AT&T's IVR, call-routing, back-office, and operational systems to implement the first-prompt live-agent requirement. Implementing that requirement would require significant changes to AT&T's IVR and related call-flow processes, including design, development, testing, deployment, and operational implementation work. The scope and cost of these changes would depend on the method AT&T is required or permitted to use to identify calls subject to the California requirement. Depending on the identification method required—ranging from existing customer identification methods, such as billing address or service address, to more complex methods, such as geolocation—AT&T estimates that the required technology changes would cost approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL ***.

17. **30-Minute Callback Option — Cost Analysis.** The Staff Proposal is unclear as to how the 30-minute callback option is intended to operate when read together with the requirement to answer 80% of calls within 60 seconds. AT&T cannot determine whether Staff intends that carriers must offer customers a callback within 30 minutes as an alternative to remaining in queue, or whether carriers must both be prepared to offer that callback option and still satisfy the 60-second answer-rate requirement for customers who decline it. The cost implications would vary significantly depending on which interpretation applies. Additionally, under the proposed requirements, AT&T would not be able to offer the 30 min call back option because there would not be enough time to present the call back option prior to meeting the 60 second requirement. As a result, complying with one component of the criterion would conflict

with compliance with the other, making AT&T unable to develop a reliable cost estimate under the current framework.

18. **Cost Applied to the Monthly Bill.** For the Customer Service Standard addressed in this declaration, the estimated annual recurring incremental cost is *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*****. In addition, spreading the estimated one-time implementation cost of *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** over 10 years adds approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** per year. AT&T cannot predict at this time how the future additional expense represented by implementation of the 80/60 with first-prompt live agent requirements would affect AT&T's customers' bills, given the numerous factors involved, e.g., competitive market conditions, contractual commitments, and other business factors. However, AT&T has approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** directly billed wireless subscribers in California, as of June 30, 2026. Dividing the combined annual cost range by that customer figure yields an estimated per-customer annual cost range of approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*****, and a corresponding monthly range of approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***.**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 8, 2026, at Chicago, Illinois

/s/
Rachel Bilski

ATTACHMENT B,

EXHIBIT A

[CONFIDENTIAL]

REMOVED IN ITS ENTIRETY

ATTACHMENT C

[PUBLIC VERSION]

ATTACHMENT C

DECLARATION AND VERIFICATION OF JOSHUA MATHISEN

I, Joshua Mathisen, declare as follows:

1. I am a Director – Regulatory for AT&T Services, Inc., where I have been employed in a variety of positions for approximately 26 years. I have a BS in computer and information sciences, and an MBA. At AT&T, my experience and job responsibilities have included testifying in legal proceedings before state and local regulatory bodies and leading a team of internal subject matter experts on various issues relating to construction, management, and operation of the AT&T communications network in California.

2. My work experience with AT&T includes, more specifically, the engineering and management of infrastructure replacement projects; development and implementation of processes related to communication utility construction; operational compliance related to ownership, design, and installation of communications facilities; development of facility inspection and repair program; managing design, budgeting, scheduling, and coordination of communications construction and inspection projects; coordination of the implementation of standardized quality control processes relating to network operations.

3. I have personal knowledge of the matters set forth in this Declaration and could competently testify thereto if called upon to do so.

4. Scott Adams is an officer of AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C) and AT&T Mobility Corporation, which manage New Cingular Wireless PCS, LLC (U 3060 C), d/b/a AT&T Mobility and Santa Barbara Cellular Systems, Ltd. (U 3015 C) (collectively, "AT&T Mobility"). Mr. Adams has designated me to execute this declaration on behalf of those AT&T affiliates.

5. I am familiar with the general processes involved in the siting, construction and operation of AT&T macro cell sites in California, and the requirements for funding and permitting that construction. I also reviewed AT&T records available to me concerning macro cell sites in California. Given the short time available for this review, I was not able to complete a site-by-site technical review with internal subject matter experts. Under the circumstances, I used a reasonable process to estimate the number of rural and non-rural macro cell sites for purposes of this Declaration. Specifically, I reviewed a list of California cell sites from which non-macro locations had been excluded, calculated the percentage of sites with known rural or non-rural designations (excluding records for which that designation was not available), and applied those percentages to AT&T's approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** macro cell sites in California. Based on that process, I estimated that approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** of those sites are located in rural areas of California, and approximately *****BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***** are located in non-rural areas of California.

6. General Order (GO) 133-E adopted certain allowable exemptions for wireline telecommunications providers when determining those providers' compliance with service quality standards, such as outage repair. Those exemptions included, inter alia, the following:

1) Declared state of emergencies by the Governor of California related to disasters or electric grid outages;

2) Natural catastrophes, with the exception of drought, that are not declared state of emergencies;

3) Public Safety Power Shutoff (PSPS) events;

4) 811 Underground Service Alert Program (limited exemption);

5) Third party cable cuts;

6) Cable theft/vandalism;

7) Unplanned loss of commercial power that exceeds any applicable state or federal backup power requirements.

7. Should the Commission adopt the above exemptions for wireless service quality, then the penalties assessed to AT&T under the potential 24-hour outage standard and the Network Availability standard[1] would be lessened – since the known causes of AT&T's community isolation outages include (a) loss of commercial power; (b) loss of transport (cable cuts); and (c) planned maintenance activity, and those causes would be covered by the above-listed exemptions. AT&T does still experience some percentage of community isolation outages on its wireless network for which it does not identify outage cause under its automated community isolation outage identification system.

8. To avoid the proposed penalties for all 24-hour outages, AT&T would need to construct its own cable transport network or pay another entity to build such a new network. AT&T would also need to construct a redundant macro tower network – to ensure that in the event of an outage caused by loss of power, loss of transport, the need for system maintenance, or an outage for which AT&T could not identify a cause, the AT&T network would not suffer any loss of uptime at any location. The precise cost of constructing such a redundant network is extremely difficult to estimate, but there are some sources available for such an approximation, which I discuss below.

9. Based on my general experience and understanding of costs associated with the requirements for completing a successful macro tower build, review of AT&T records, and discussions with other AT&T personnel, I am informed and believe that the estimated cost for construction of a new AT&T macro cell facility (which may include, among other things, site

[1] The Staff Proposal does not seek to impose penalties for loss of Network Availability for planned maintenance.

acquisition, consulting, permitting, right-of-way, equipment purchase, and actual construction costs) is approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** for a rural site build, and ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** for construction of a macro cell facility in any other part of California.

10. It would be very difficult and time consuming and require review of many years of AT&T financial records to determine the precise amount in today's dollars that AT&T has spent to construct its entire wireless macro cell site, and the transport network that AT&T utilizes throughout California. Through my review of the materials attached hereto as Exhibit A regarding the funding of the State of California's Middle-Mile Broadband Initiative, however, I have been able to determine that a reasonable estimate of the cost of construction for a middle-mile fiber data transport network is approximately $463,000 per mile. Because the estimate of the average per mile construction cost for the State's project includes only "middle-miles" and does not include any (more expensive) last-mile connections to individual cell sites (which would increase the per mile construction cost), I believe that amount to be a conservatively low estimate.

11. Based on my review of the materials attached hereto as Exhibit B, I have also been able to approximate that the average length of transport route miles required to serve a macro cell tower network is approximately 2.25 miles per cell tower. I arrived at this number by reviewing Exhibit B, attached which reports that prior to its sale of macro cell towers and fiber facilities, Crown Castle had owned or managed approximately 40,000 cell towers, which were supported by roughly 90,000 route miles of fiber across the United States. 90,000 divided by 40,000 = 2.25.

12. Based on the number of macro cell towers operated by AT&T Mobility, I have estimated that AT&T would need to construct approximately ***BEGIN CONFIDENTIAL

[redacted]**END CONFIDENTIAL*** linear miles of new transport, to properly serve its ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** macro cell sites in California.

13. Based on the $463,000 per linear mile construction estimate described above, I have conservatively estimated that AT&T would need to spend approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** to construct a redundant transport network in California, in an attempt to avoid all cell site outages on its macro cell site network.

14. In addition to a redundant transport network, AT&T would also need to construct a network of redundant cell towers, so that when one tower lost service, another would remain in service for the same geographic area. Based on the estimated cost of construction for a new rural macro cell site tower (***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***), and the estimated cost of construction for a new non-rural macro cell site (***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***), multiplied by the estimated number of respective rural and non-rural macro cell sites currently in the AT&T network in California, AT&T would need to spend approximately ***BEGIN CONFIDENTIAL [redacted] [redacted] END CONFIDENTIAL*** to construct a redundant macro cell site network.

BEGIN CONFIDENTIAL

[redacted]

END CONFIDENTIAL

15. Also, as set out in Attachment 2, Zimmerman Declaration, Exhibit A (filed on April 1, 2026 as part of AT&T's Responses to Information Requests on Order Instituting

Rulemaking in this proceeding), AT&T spends approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per year to operate its wireless network in California.

16. I am informed and believe that even though it could leverage some economies of scale, AT&T would need to additionally spend a significant percentage of that ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** annually to operate the redundant transport system and macro cell network, to avoid the 24-hour outage and Network Availability penalties in the Staff Proposal.

17. Thus, AT&T's estimate of the one-time cost to avoid the 24-hour outage penalties and the Network Availability standard would be, at a very conservative floor, ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** for redundant transport, and ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** for redundant macro sites (a total of ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***). The additional annual recurring cost to operate that network would be approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** in operating expenses. These cost estimates do not take into consideration the many years that would be required to construct these redundant transport and macro cell site networks, and the arduous and expensive job of securing the many permits, easements, lease agreements, and right-of-way access rights to install those facilities.

18. AT&T cannot predict at this time how the future additional expense represented by implementation of the Staff Proposal's 24-hour outage penalties and Network Availability standard would affect AT&T's customers' bills, given the numerous factors involved, including competitive market conditions, contractual commitments, and other business factors. However, AT&T has approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** directly-billed wireless subscribers in California, as of June 30, 2026. If

the estimated one-time cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** were spread evenly over 10 years, that would represent approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** per year. Dividing that annualized one-time cost by the number of customers yields an estimated per-customer annual cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***, and a corresponding monthly cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***.***. Dividing the estimated annual recurring operating expense of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL*** by that same customer number yields an estimated per-customer annual recurring cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***and a corresponding monthly recurring cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***Taken together, the annualized one-time cost and annual recurring operating expense would yield an estimated combined per-customer annual cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***and a corresponding combined monthly cost of approximately ***BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL***[2]

19. These additional, conservatively estimated costs to build out redundant networks to avoid outage penalties would be in addition to the $19 billion that AT&T has already committed to investing in the expansion of its existing fiber and wireless networks in California over the next 5 years. That proposed investment is for new network facilities, and would be in addition to the redundant facilities that will be necessary to avoid the recommended outage penalties in the Staff Proposal.

[2] As stated, the estimated one-time and annual recurring costs set out in the Declaration have been conservatively determined – the actual costs will likely be significantly more.

20. AT&T's Opening Comments to the Staff Proposal, filed herewith, contained various figures and tables created by AT&T's Legal and Regulatory team for this proceeding. Those figures and tables were primarily derived through an analysis of AT&T's community isolation outage data, which was filed in this proceeding on April 1, 2026, as Attachment 6 (Declaration of Michelle Leingang), Exhibit A (List of AT&T Cal OES Reported Outages), as more specifically described below.

21. To convert zip code-based community isolation outage data to a PUMA based calculation, our team utilized the United States Census Bureau's website, and followed the directions for building a "crosswalk" file that translated the zip code-based data to PUMA-based data.

22. Using this crosswalk file, we were able to determine, for example, the average community isolation outage duration per PUMA (Tables B and C in AT&T's Opening Comments), the average median household income in each PUMA, the number of AT&T cell sites located in each PUMA (Table D), and the approximate average uptime for AT&T cell sites in each PUMA – particularly the uptime in the PUMAs highlighted in the Staff Proposal (Table F).

23. Based on the number of AT&T cell sites in each PUMA, and the proposed penalties for the loss of network availability, our team was also able to determine how long one AT&T site in each PUMA could be out of service before a penalty would be assessed (Table E).

24. Attached hereto as Exhibit C is a chart prepared by our team (based on the process described herein), which shows the network availability on a monthly basis of each of the 3 PUMAs highlighted in the Staff Proposal. Based on AT&T's community isolation outage data, converted to a PUMA standard, and when measured on a monthly average, each of the 3 highlighted PUMAs achieved an uptime of 99% on the AT&T wireless network.

25. Based in part on the above, the information contained in this Declaration, the factual information set out at 22 – 44 of AT&T's Opening Comments, and the information set out in Attachment A to AT&T's Opening Comments in response to the ALJ's Data Request regarding cost estimates, is true and correct and made of my own personal knowledge, except those matters stated that are based upon my information and belief, which I believe to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 8, 2026 at Sacramento, California.

/s/

Joshua Mathisen

ATTACHMENT C,

EXHIBIT A

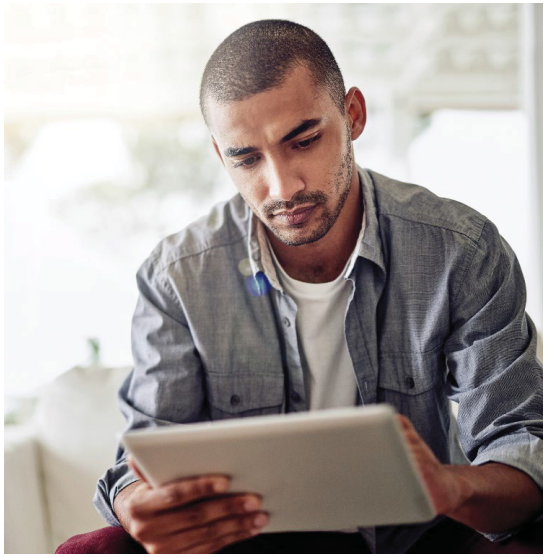
[PUBLIC VERSION]

CALIFORNIA ALL

BROADBAND FOR ALL

California Broadband Council

April 23, 2024



Welcome

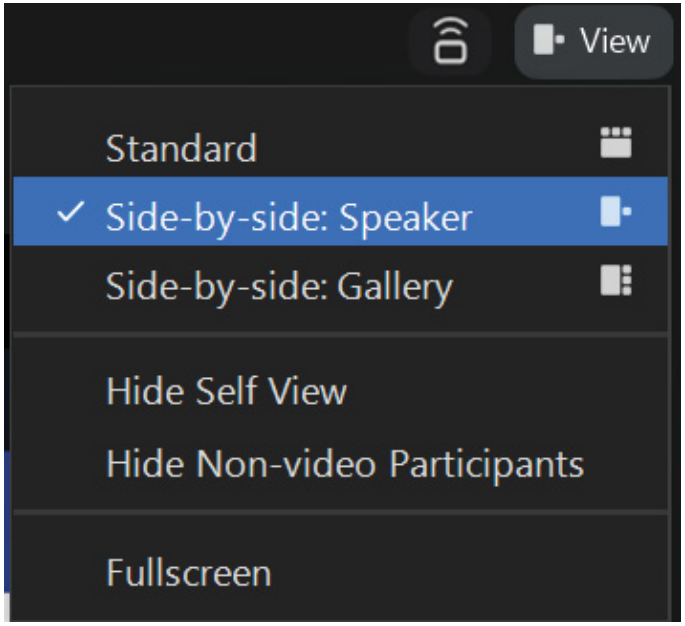
Liana Bailey-Crimmins
State Chief Information Officer and Director
California Department of Technology

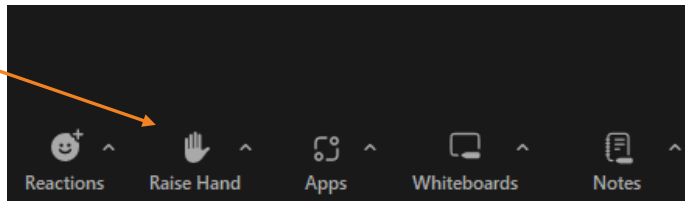
HOUSEKEEPING

Select Side-by-Side: Speaker Mode for the best viewing experience when slides are shared

Closed Captions English closed captions are available. Choose “CC closed caption” on your toolbar and select "show subtitle".

Reactions Raise Hand feature or *9 if you calling into Zoom by phone





AGENDA

- Welcome
- Executive Report
- Broadband for All Updates
- NTIA IIJA Programs Update
- Public Comment
- Closing

Executive Report

Scott Adams

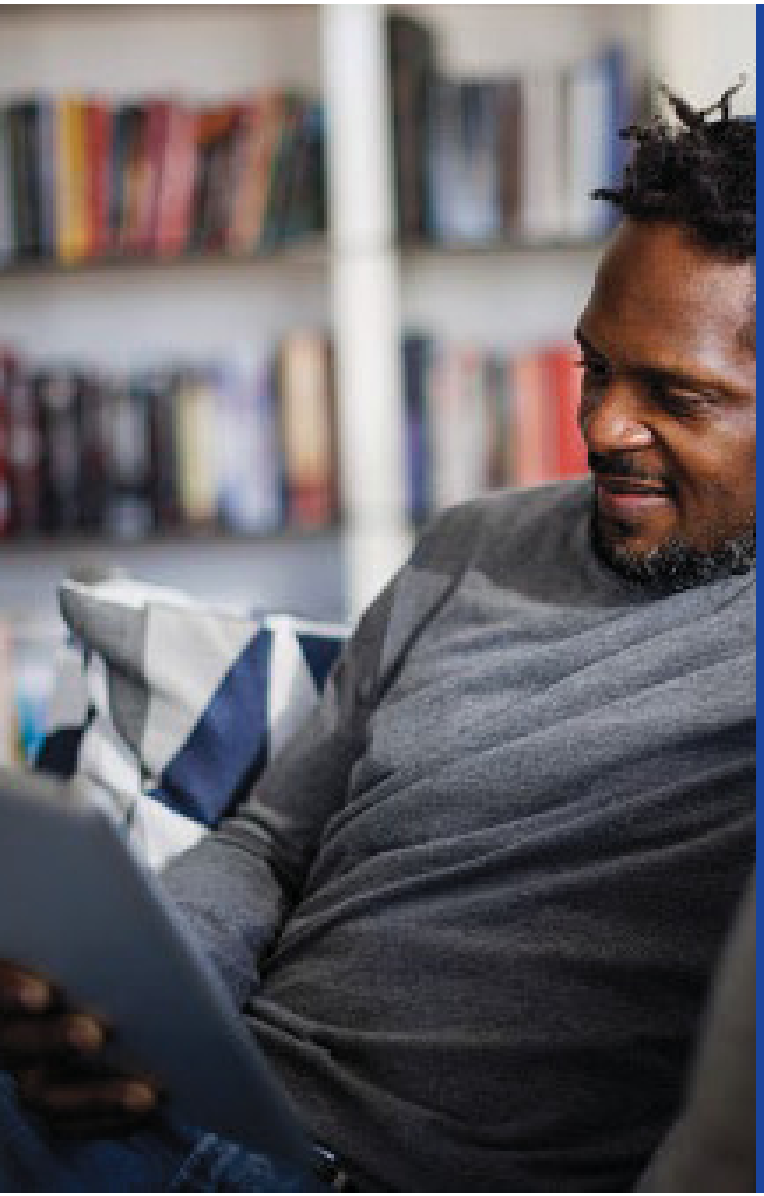
Deputy Director

Office of Broadband and Digital Literacy

California Department of Technology

EXECUTIVE REPORT

- Annual Broadband for All Action Plan Process
- Affordable Connectivity Program
- Partner and Stakeholder Engagement
- State Digital Equity Plan
- SB 717 Report



BROADBAND FOR ALL UPDATES

- Broadband for All Action Plan
- Middle-Mile Broadband Initiative
- Last-Mile Programs
- Affordable Connectivity Program

Scott Adams

Deputy Director

Office of Broadband and Digital Literacy

California Department of Technology

BROADBAND ACTION PLAN UPDATE

18 out of 24 Action Items Complete

Action Items

SDEP, MMBI, Last Mile Programs & BEAD

Track progress towards BB4All goals

SDEP objectives

CALIFORNIA ALL

Goal 1: All Californians have high-performance broadband available at home, schools, libraries, and businesses.

Objective 1.1: Increase the percentage of Californians who are connected to broadband internet service.

Objective 1.2: Increase the percentage of Community Anchor Institutions that are connected to broadband internet service.

Objective 1.3: Increase the percentage of Californians who report that their internet service is reliable.

Objective 1.4: Increase the percentage of Californians who have a choice of at least three internet service providers.

CALIFORNIA ALL

Goal 2: All Californians have access to affordable broadband and necessary devices.

Objective 2.1: Decrease the percentage of Californians who cite cost as the primary barrier to internet service.

Objective 2.2: Reduce the percentage of Californians who rely solely on a smartphone to use the internet due to devices being inaccessible and unaffordable and increase the percentage with a home computing device.

Objective 2.3: Increase the percentage of Californians enrolled in low-cost internet options and subsidies, including the Affordable Connectivity Program or successor program.

Objective 2.4: Reduce the average cost that covered populations pay for internet service.

CALIFORNIA ALL

Goal 3: All Californians can access training and support to enable digital inclusion.

Objective 3.1: Increase the availability of digital literacy, cybersecurity, and skills training programs.

Objective 3.2: Increase the percentage of Californians who have access to technical support services for internet-connected devices.

Objective 3.3: Reduce the percentage of Californians whose concerns for privacy and cybersecurity prevent broadband adoption or effective use.

Objective 3.4: Increase the percentage of Californians who possess basic, intermediate, and advanced digital literacy skills.

Objective 3.5: Expand the number of members of covered populations trained/hired in broadband infrastructure and technology jobs.

Objective 3.6: Increase the percentage of Californians who utilize the internet to apply for or use public benefits and other essential services and can participate in civic and social engagement online.

CALIFORNIA ALL

Mark Monroe

Deputy Director

Middle Mile Broadband Initiative (MMBI)

California Department of Technology

MIDDLE-MILE BROADBAND INITIATIVE (MMBI) UPDATE

CURRENT MMBI NETWORK FUNDING LEVEL: $3.87 BILLION

Cost Components	Current Plan for $3.87 Billion Base Budget		
MMBI Cost Components (dollars in millions)	miles	total cost	avg cost/mile
RFI2 Miles (shared cost of lease, joint-build)	6,534	$ 1,848	$ 0.283
Caltrans Constructed Miles	1,832	$ 1,174	$ 0.641
Materials, Admin., Contingency, etc.	na	$ 851	na
Total	**8,366**	**$ 3,873**	**$ 0.463**

PROJECT UPDATES

REQUEST FOR INNOVATIVE IDEAS (RFI²) – ROUND 2

Over 50 proposals received

Initial Reviews

Feb 2024:
Initial evaluations complete

Negotiations

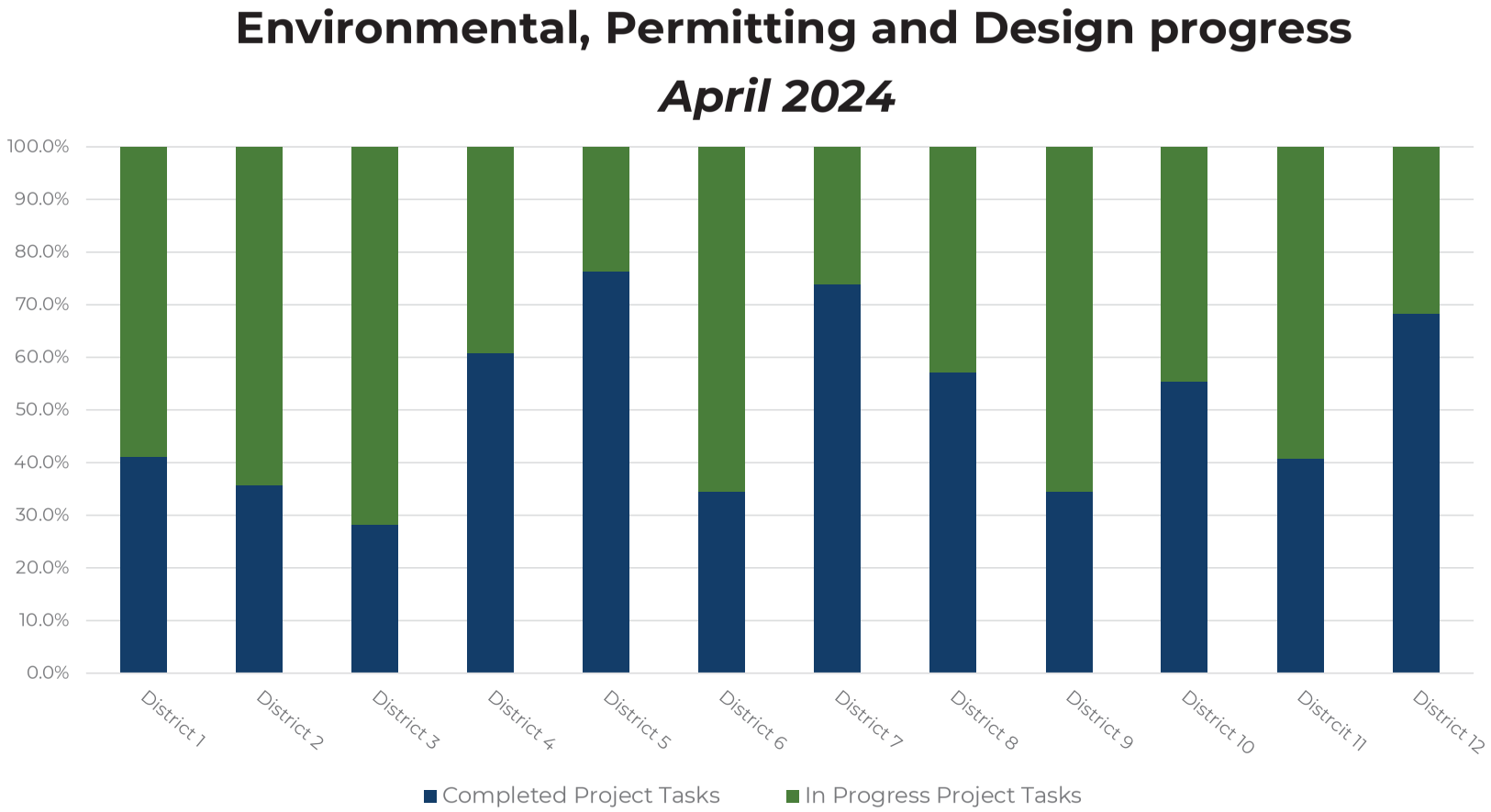
Feb 2024-June 2024:
Negotiations in-progress

Contract Awards

April 2024 - July 2024:
Complete Negotiations and award contracts

PROJECT DELIVERY

ADVANCING PRECONSTRUCTION: PROGRESS BY DISTRICT



PROJECT UPDATE

2024 PRECONSTRUCTION DELIVERY

2024	Preconstruction complete by March	April – June	July – September	October – December
Region 1	25 miles	100 miles	275 miles	800 miles
Region 2	0 miles	100 miles	75 miles	400 miles
Region 3	40 miles	50 miles	40 miles	625 miles
Region 4	70 miles	100 miles	80 miles	150 miles
Region 5	40 miles	125 miles	530 miles	375 miles
Total	**175 miles**	**475 miles**	**1,000 miles**	**2,350 miles**

*Data as of 26 March 2024
Numbers have been rounded

MMBI MARKET SOUNDING

FINDINGS

Market Sounding program suggests a **well-structured operations partnership** can better achieve MMBI's policy goals, while reducing the state's risk and financial exposure.

Achieve material risk transfer
Through robust & enforceable contractual framework

Leverage private sector
Private sector experience, capabilities & incentives

Minimize future expense obligations
From state funding

Use competition
To generate maximum public benefits

Build in protections
To counter potential for monopolistic behavior

MMBI MARKET SOUNDING

PROPOSED APPROACH

Proposed Approach:

CDT should initiate a competitive procurement to identify an experienced and well-qualified partner to assume responsibility for O&M through a long-term “Network Stewardship Agreement” as the Operations Third Party Administrator (TPA).

Next Steps:

Initiate two-part procurement approach:

1 **Request for Qualifications (RFP Part 1)**
Evaluation criteria: select 3-4 proposers based on capabilities and experience.

2 **Request for Proposals (RFP Part 2)**
Evaluation criteria: committed policy safeguards, proven approach to O&M, financial capacity, and revenue sharing commitments.

MMBI CUSTOMER SOUNDING

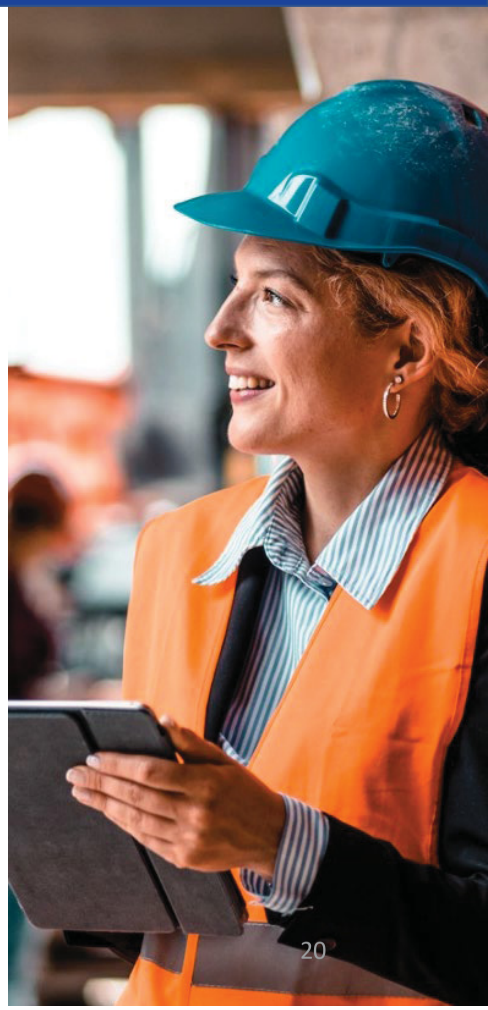
OVERVIEW & GOALS

Launching MMBI Customer Sounding: CDT to ensure robust coordination with last mile efforts as part of the customer sounding program

CDT will run operations TPA procurement in parallel with MMBI customer sounding to identify potential users of MMBI including **local public sector leaders** and **last-mile ISPs**.

Goals of **Customer Sounding**:

- Build trust in the value of MMBN to last-mile users
- Identify key customers who will procure services from MMBN
- Source input about operations governance of MMBN



Darcie L. Houck

Commissioner

California Public Utilities Commission (CPUC)

CALIFORNIA ALL BROADBAND FOR ALL

LAST MILE BROADBAND PROGRAMS AND INVESTMENTS OVERVIEW

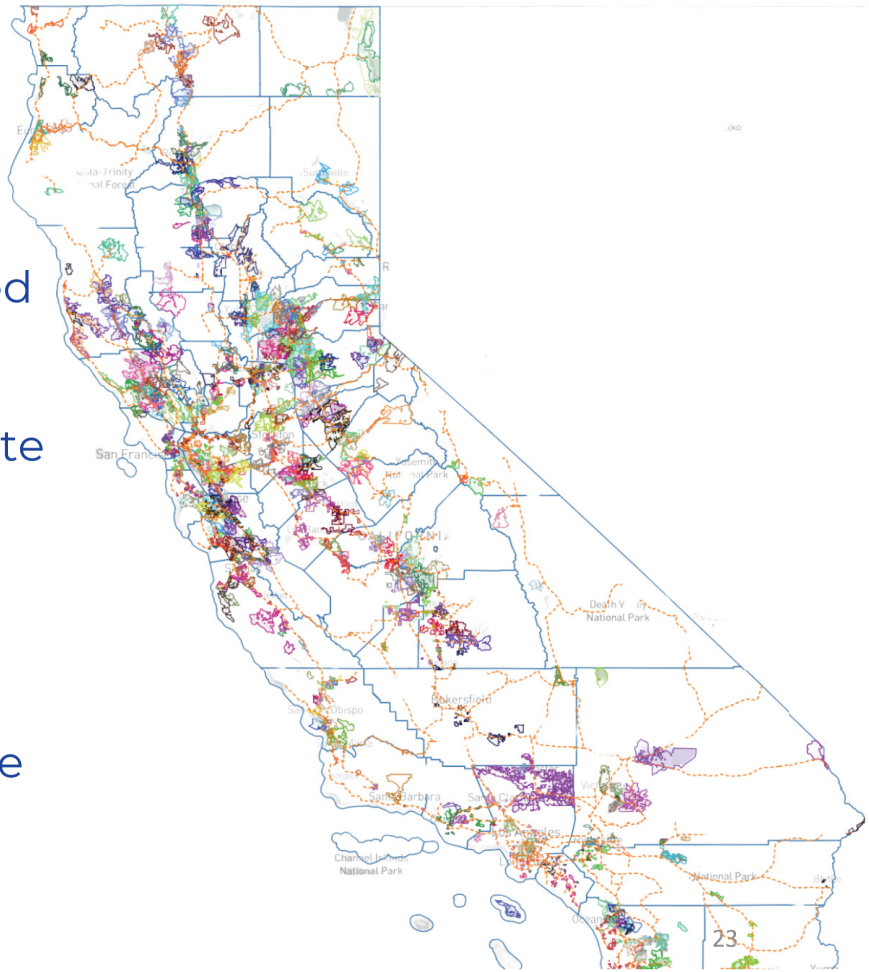
	Broadband Equity Access and Deployment (BEAD)	California Advanced Services Fund (CASF)	Loan Loss Reserve Fund (LLR)	Last Mile Federal Funding Account (FFA)
Amount	~$1.86 billion	$150 million/year (pending BCP approval)	$750 million (proposed budget = $500 million	~$2 billion
Summary	Funds for planning, infrastructure and adoption starting in 2024.	Funds broadband infrastructure and adoption in low-income housing, Tribal communities, and unserved areas.	Provides collateral to local government, Tribes, and nonprofits to finance their own broadband Infrastructure.	Funds for last-mile broadband infrastructure projects in every county.
What's Next?	After NTIA approves Initial Proposal, CPUC conducts challenge process, solicits applications, and selects subgrantees.	Expanded Public Housing and Tribal Tech Assistance programs March 2024. Applications accepted in 2024 for various accounts.	The first round of applications closed on April 9th.	Evaluating nearly 500 grant applications for every county. First awards expected to be announced in June.

LAST-MILE UPDATE

FEDERAL FUNDING ACCOUNT APPLICATIONS

~$2 Billion for Last Mile Infrastructure Projects to deliver reliable broadband to unserved communities

- For projects providing end-user service to unserved locations
- An application received for every county in the state
  - Application, Project Area, Objection, Applicant Responses to Objections are publicly available
  - Objection Process closed December 20, 2023
  - First awards expected to be announced in June



FFA APPLICATIONS & MIDDLE-MILE BROADBAND INITIATIVE

- **FFA awards points for applications that interconnect with the Middle-Mile Broadband Initiative (MMBI) where reasonable and feasible.**
  - Applications not within a reasonable proximity of the MMBI can get points.
  - Applications may be awarded that do not connect to the MMBI.

- **California Department of Technology and California Public Utilities Commission coordinate and collaborate on implementation through weekly meetings and joint meetings with FFA applicants.**

LAST-MILE PROGRAMS

FFA APPLICATIONS & MIDDLE-MILE BROADBAND INITIATIVE

Based on current data from the most recent update by last mile Federal Funding Account applicants proposing to connect to the Middle-Mile Broadband Initiative:*

- Number of applications and entities: 107 applications from 48 entities
- Number of unserved locations proposed to be provided service in the applications: 500,000
- Total amount of funding requested in the applications: $4.6 billion

*Totals as of March 2024, subject to update, and contingent on holistic application review and award.

LAST-MILE PROGRAMS

LOAN LOSS RESERVE PROGRAM

Overview

Provides collateral so that local governments, Tribes, and non-profits can receive more favorable borrowing rates and terms for bonds, loans, and letter of credit for the deployment of publicly owned broadband infrastructure.

Update

Updates on applications during Loan Loss Reserve first application window.

Timeline

- First Application Window Closed April 9, 2024
- Program info, webinars, fact sheets
- Next window planned after July 2024
- First awards targeted Q2-Q3 2024

LAST-MILE PROGRAMS

CALIFORNIA ADVANCED SERVICES FUND

Adoption: Grants for digital literacy and broadband access projects

- January 2024 cycle applications | 61 projects | $7.4 million
- Next Application Deadline: July 1, 2024

Public Housing: Grants to build networks offering free service to low income communities

- January 2024 cycle applications | 21 projects | $1.3 million
- Expanded eligibility for non-publicly supported housing developments and project costs in Decision 24-03-041
- Next Application Deadline: July 1, 2024

Infrastructure: Grants to subsidize the cost of middle and last mile infrastructure to expand high quality communications service throughout California.

- 3 projects approved | $7.2 million

Tribal Technical Assistance: Grants to assist California Tribes in developing market studies, feasibility studies, and/or business plans

- Expanded program and increased support for market studies, feasibility studies, and business plans in Decision 24-03-041
- April 1, 2024 cycle | 3 Tribal applications | $750,000
- Next Application Deadline: July 1, 2024

Sunne Wright McPeak

President and CEO

California Emerging Technology Fund (CETF)

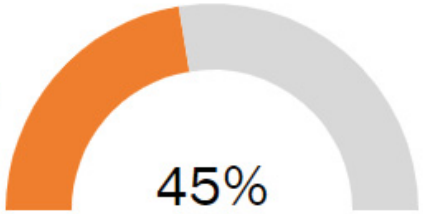
BROADBAND
FOR ALL

ACP ENROLLMENT UPDATE

Households eligible and enrolled households

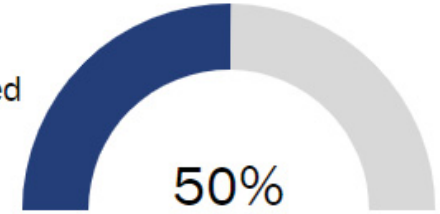
ACP eligible households in California

5,844,797
eligible households
out of
13,044,258
households



Eligible California households enrolled in ACP

2,945,281
households enrolled
out of
5,844,797
households



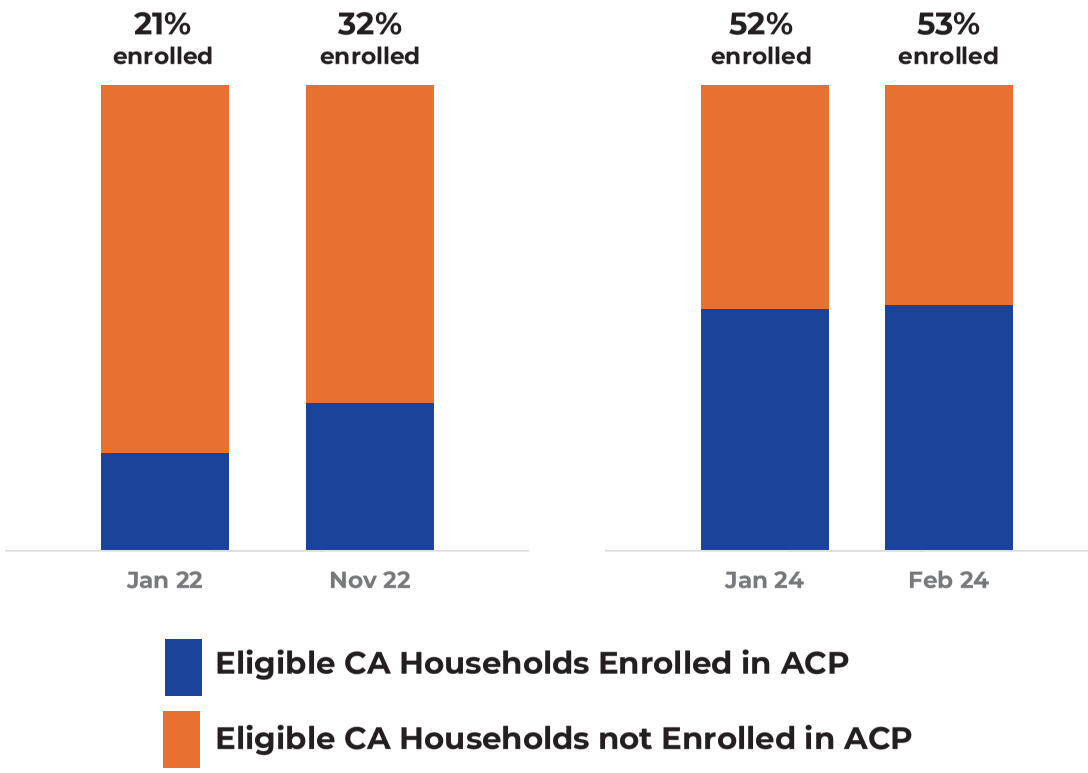
As of enrollment freeze on February 7, 2024

CALIFORNIA ALL

CETF ANALYSIS & COMPARISON OF STATE ACP ENROLLMENT PERFORMANCE

Key Findings

- CA finished strong leading up to 2/7 freeze.
- 2/3 eligible HHs not aware of ACP or ISP affordable offers.
- CA had 2M more eligible HHs than any other high-performing state
- CA enrolled more HHs for each 1% increase
- CA enrolled >1M HHs more than any other state.
- Leadership of Broadband Council was pivotal.



Data Source Eligible Households: Columbia University Poverty Center (povertycenter.columbia.edu)

CETF ANALYSIS & COMPARISON OF STATE ACP ENROLLMENT PERFORMANCE

High-Level Overview of State Performance on ACP

- ACP Enrollment that Out-performed CA 2022-2024 by 2 Metrics
  - Percentage of Eligible HHs Enrolled
  - Rate of Increase Since January 2022

Overall Observations from the Analysis of 10 Top-Performing States

- 11/2022: **9 States** Out-Performed California for both metrics: MI, WI, OK, NY, NM, NC, SC, AL, FL
- 01/2024: **4 States** Out-Performed California: FL, MI, NY, OK
- 02/07/2024: **2 States** Out-Performed California: MI, NY
- 7 States and the District of Columbia Achieved Higher Rates of Percentage of Eligible Households Enrolled; OK Tied with CA

CETF ANALYSIS & COMPARISON OF STATE ACP ENROLLMENT PERFORMANCE

Lessons Learned and Smart Practices

- Direct Notification (Texting, Email, Mail) is key; Direct Mail is a good proxy.
  - DHCS, CDSS, San Diego County Direct Notification
- Call Center with referrals to CBOs generated most enrollments.
- Advertising is essential to increase awareness to augment Direct Notification.
- Community and ethnic media channels are the most effective.
- Public and Private Partnership (State Agencies - ISP Collaboration)

CALIFORNIA ALL

NTIA IIJA Programs Update

State Digital Equity Planning & BEAD

Scott Adams

Deputy Director, Broadband and Digital Literacy

California Department of Technology

Robert Osborn

Director, Communications Division

California Public Utilities Commission

STATE DIGITAL EQUITY PLAN

KEY ACTIVTIES

1. Complete BB4All infrastructure investments
2. Convene digital equity stakeholders
3. Refine digital equity data and maps
4. Develop a digital equity capacity sub-grant program
5. Fund State-managed digital inclusion programs
6. Develop digital inclusion tools & best practices
7. Promote low-cost service offers & subsidy programs

STATE DIGITAL EQUITY PLAN

PUBLIC COMMENT OVERVIEW

45-Day Public Comment Period (Dec. 12, 2023 - Jan. 25, 2024)

Outreach & Engagement:

- Sent 5 notifications to **10,000+ network**
- Developed outreach toolkit, available in **7 languages**
- Hosted **Partner & Stakeholder** Webinar 12/15/2023 (**167 attendees**)
- Presentations at SoCal Transformation, LA County, CA Telehealth Coalition
- Reopened Digital Ecosystem Mapping Tools

442 Comments Received:

- **301 Residents**
- **141 Organizations**

STATE DIGITAL EQUITY PLAN

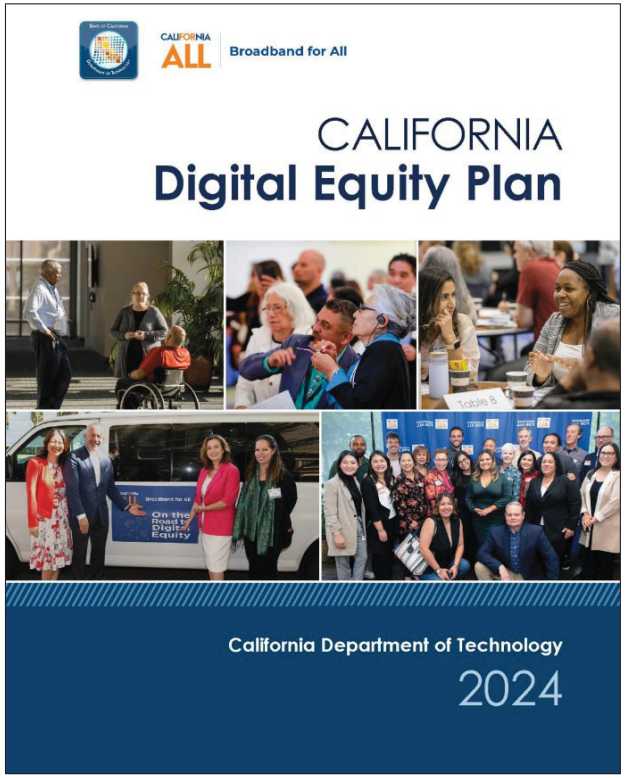
PUBLIC COMMENT GENERAL THEMES

- Covered Populations
- Measurable Objectives
- Barriers for Covered Populations
- Adoption, ACP and successor program
- State managed efforts vs. local efforts
- Digital Literacy Training
- Digital Navigation and grant framework
- Implementation and Timeline Details
- Ongoing collaboration

STATE DIGITAL EQUITY PLAN (SDEP)

NOTICE OF APPROVAL & CAPACITY GRANT NOFO

- 3/28 - SDEP approved by NTIA
- 3/29 – DE Capacity Grant NOFO released
  - California's allocation is $70.2 million
- 5/28 – State application due to the NTIA



Scan here to read the Plan

STATE DIGITAL EQUITY PLAN

ALLOWABLE USES OF DIGITAL EQUITY CAPACITY GRANT

- Develop local digital equity plans
- Broadband adoption campaigns
- Digital navigation services
- Digital literacy and skills training
- Targeted device distribution
- Workforce development training and apprenticeships

STATE DIGITAL EQUITY PLAN

STAKEHOLDER ENGAGEMENT

Large Group Presentations

- 2/20 - Aspen Institute Latinos and Society Forum
- 3/6 - CETF Policy Forum
- 3/25 - American Society on Aging
- 4/4 - Chinese for Affirmative Action DE Briefing
- 4/11 - California Association for Local Economic Development (CALED) Conference
- 4/17 - San Francisco Tech Council Meeting

Market Research & Listening Sessions

- State Agencies
- Broadband Consortia
- Local Governments
- Community Based Organizations
- Private Sector Entities

CALIFORNIA ALL

STATE DIGITAL EQUITY PLAN

ONGOING ENGAGEMENT & COLLABORATION

- Listening Sessions & Market Research on Program Design
- Public Comment
- Statewide Digital Equity Implementation Group (SIG)
- Outcome Area Working Groups
- Community Advisory Committee
- Webinars and Public Meetings
- Broadband for All Portal
- Monthly Broadband Email Updates

Scan Here to Subscribe and Stay Engaged

STATE DIGITAL EQUITY CAPACITY GRANT

TIMELINE

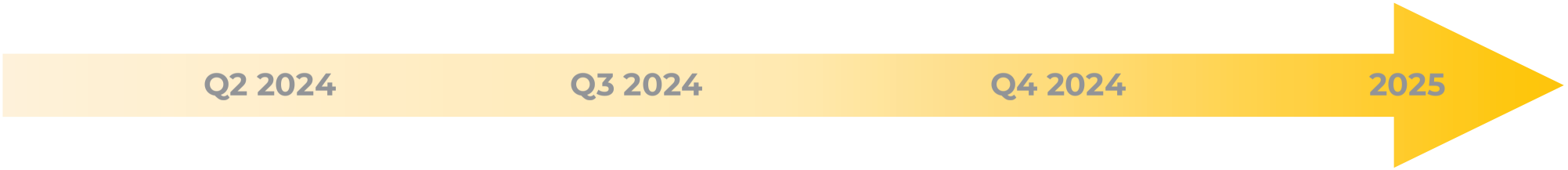
Submit Capacity Grant Application

NTIA Review of Applications

Capacity Grant Funds Released

NTIA Competitive Grants

Capacity Sub-grants Available



BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD) UPDATE

In June 2023, $1.86 billion was allocated to California to deploy last-mile service to unserved & underserved

Open BEAD Rulemaking (R.23-02-016) for design and implementation of the program. Milestones include:

- 2023 Engagement With CDT
- Five Year Action Plan accepted by NTIA
- Submission Initial Proposal Volumes 1 & 2 to NTIA
  - Approval for Initial Proposal Volume 1 received April 4, 2024
  - Initial Proposal Volume 2 currently under review by NTIA
- All activities subject to NTIA review and approval
- Commission must take action on program design and rules
- More information and subscribe to updates
- Tier E License Application-Challenge Process

BEAD CHALLENGE PROCESS UPDATES

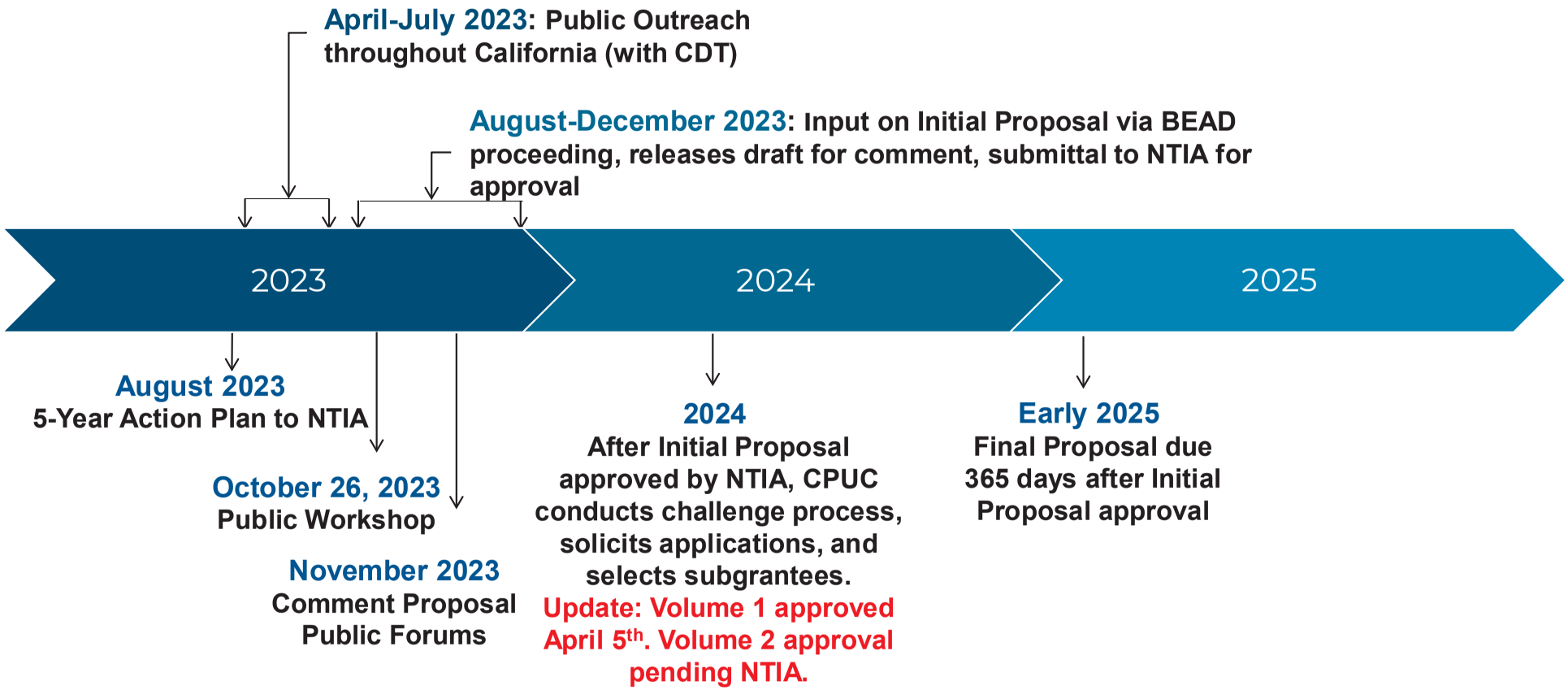
As directed by NTIA, the CPUC will conduct a public process to refine a map of served, underserved, and unserved locations (or location eligible for funding) prepared by NTIA

- The process will allow governments (local, regional), Tribal nations, nonprofits, and ISPs to "challenge" the status of location (served/underserved/unserved)
- The process is data driven and provides an opportunity for rebuttals
- The CPUC will submit its determinations to NTIA who will make final determination on eligible locations

BEAD CHALLENGE PROCESS UPDATES

- On April 5, 2024, the CPUC issued a draft decision to adopt the approved Initial Proposal Volume 1.
  - Comments due April 25
  - Reply comments on April 30
- Outreach activities will start with a webinar from 10:00a.m. to 11:30a.m on April 24, 2024 with an Introduction to the NTIA Model BEAD Challenge Process.
  - **Register here**

BEAD UPDATE


April-July 2023: Public Outreach throughout California (with CDT)
August-December 2023: Input on Initial Proposal via BEAD proceeding, releases draft for comment, submittal to NTIA for approval
2023
2024
2025
August 2023
5-Year Action Plan to NTIA
October 26, 2023
Public Workshop
November 2023
Comment Proposal
Public Forums
2024
After Initial Proposal approved by NTIA, CPUC conducts challenge process, solicits applications, and selects subgrantees.
Update: Volume 1 approved April 5th. Volume 2 approval pending NTIA.
Early 2025
Final Proposal due 365 days after Initial Proposal approval

Public Comment

CALIFORNIA ALL BROADBAND FOR ALL

THANK YOU!

Website:

BroadbandForAll.cdt.ca.gov

Contact:

CABroadbandCouncil@state.ca.gov

CALIFORNIA ALL

BROADBAND FOR ALL

ATTACHMENT C,

EXHIBIT B

[PUBLIC VERSION]

Crown Castle completes $8.5 billion sale of fiber and small cell assets, emerges as pure-play tower company

In Featured News (https://wirelessestimator.com/articles/category/industry-news/featured-news/) by Wireless Estimator / May 4, 2026

(/wp-content/uploads/2026/05/Crown.Castle.Zayo_.jpg)

Crown Castle has officially closed the books on one of the most significant strategic transformations in U.S. telecommunications history, completing its $8.5 billion sale of fiber and small cell businesses on May 1, 2026, receiving aggregate cash proceeds of approximately $8.4 billion after preliminary purchase price adjustments.

The Deal Structure

Crown Castle sold its fiber solutions business to Zayo Group Holdings Inc., an investor group led by DigitalBridge, while Arium Networks, an EQT Active Core Infrastructure fund company, acquired its small cells assets. Each business was valued equally, with Zayo acquiring the fiber solutions business for an enterprise value of $4.25 billion and EQT acquiring the small cells business for an enterprise value of $4.25 billion.

A Strategic Pivot Years in the Making

The deal was first announced on March 17, 2025, as Crown Castle revealed it was selling its long-haul fiber assets to Zayo and its small cell business to private equity firm EQT. The company's board of directors approved the sale following a strategic review that assessed offers from both financial and strategic buyers proposing a variety of transaction structures.

The sale includes 90,000 route miles of fiber located in the largest U.S. markets, along with Crown Castle's focus on its 40,000 U.S. towers. Former CEO Steven Moskowitz acknowledged that fiber "has a different business model and different customer base than towers and requires different operational capabilities."

What Happens to the Proceeds

Crown Castle plans to use $1.0 billion of the proceeds for share repurchases under a stock buyback program approved by its Board of Directors, effective May 1, 2026, and expects to reduce outstanding debt by more than $7.0 billion.

A New Chapter for All Three Companies

Crown Castle's new CEO Chris Hillabrant stated that the company is now the only U.S.-focused, large publicly traded pure-play tower company and is well-positioned to become a best-in-class operator in the world's strongest wireless market.

For Zayo, the acquisition is transformative. The deal marks Zayo's 50th and largest acquisition to date, bringing its fiber network to 224,000 route miles across North America. Zayo noted the acquisition expands its ability to deliver capacity for AI, cloud, and enterprise ecosystems.

On the small cells side, Crown Castle's sale of its small cell assets to EQT has led to the creation of Arium Networks, a standalone company focused on the deployment of small cells, in-building, and venue-based networks across the U.S.

A Costly Lesson in Diversification

The deal does raise eyebrows among industry analysts. Crown Castle's cumulative investment in its fiber business totaled approximately $17.5 billion — meaning the company sold those assets for less than half of what it originally spent building them. One analyst noted it was "a very good deal for Zayo strategically" if the company can finance and integrate the assets without disruption.

Looking Ahead

With the transaction now closed, Crown Castle joins a focused group of pure-play tower operators, shedding years of diversification strategy to double down on its core wireless infrastructure business. For Zayo and the newly formed Arium Networks, the real work of integration and growth now begins. The bottom line: the tower business is performing largely as expected—if you adjust for churn.

Tags: Crown Castle (https://wirelessestimator.com/articles/tag/crown-castle/), DigitalBridge (https://wirelessestimator.com/articles/tag/digitalbridge/), Tower Owners (https://wirelessestimator.com/articles/tag/tower-owners/), Tower Portfolios (https://wirelessestimator.com/articles/tag/tower-portfolios/)

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BLUE BOOK FEATURED CATEGORY

WIRELESSESTIMATOR TOOLS

Emergency Services Locator (/emergency/)

Help Wanted Job Board (/content/employment/help_wanted)

Tower Fatalities Tracker (/content/fatalities)

Training Course Calendar (/content/training/calendar)

Hiring Trend Tracker (/content/employment/hiring_trends)

Guy Takeoff Calculator (/content/calculators/guy_takeoff)

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