PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division **RESOLUTION T-17880**
Carrier Oversight and Programs Branch **June 12, 2025**

RESOLUTION

RESOLUTION T-17880. AT&T California (U-1001-C) Revised Corrective Action Plan.

PROPOSED OUTCOME: Approves the Revised Corrective Action Plan by AT&T California (AT&T) to invest $71 million to deploy fiber-optic infrastructure in Priority Investment Areas as initially proposed in Advice Letter 49908, and approves investment in lieu of fines pursuant to General Order (GO)133-D in Advice Letter 49951.

SAFETY CONSIDERATIONS: A carrier's failure to meet GO 133-D service quality standards limits customers' ability to call 911 and other emergency services and restricts public safety personnel from communicating with each other during emergencies or disasters.

ESTIMATED COST: There are no ratepayer costs associated with this resolution.

I. SUMMARY

This resolution approves AT&T California's (AT&T) Revised Corrective Action Plan (Revised CAP) as proposed in Advice Letters (ALs) 49908 and 49951, respectively. In the Revised CAP, AT&T commits to investing $71 million in Fiber to the Premises[1] (FTTP) deployment in selected wire centers located within Priority Investment Areas defined by the California Priority Populations Map[2].

On December 6, 2024, AT&T California (AT&T) submitted AL 49908 pursuant to

[1] Fiber to the Premises (FTTP) is a form of fiber optic communication delivery in which an optical fiber is run directly onto customer's premises. FTTP brings increased speed and enhanced broadband capabilities. FTTP uses fiber optic cables and associated optical electronics instead of copper wire to connect to a customer or network.
[2] California Climate Investments Priority Populations Mapping Tool 4.0 - California Air Resourced Board

Resolution T-17789 issued on June 24, 2024. Ordering Paragraph 2 of Resolution T-17789 required AT&T to meet and confer with the California Public Utilities Commission (CPUC or Commission) Executive Director, or her designee, on the development and submission of a mutually agreed upon Advice Letter to address substandard GO 133-D Out of Service Repair Interval[3] (OOS) metrics for 2022 through 2024. Following the meet-and-confer process with the CPUC Executive Director, AT&T submitted AL 49951 on February 18, 2025, and correctly calculated a GO 133-D service quality fine of $2,663,100 for failing to meet the minimum OOS metric for twelve months in 2024. In lieu of paying the fine, AT&T proposed to invest at least $9 million to deploy advanced fiber optic services in Priority Investment Areas. AT&T's commitment in AL 49908 to deploy $71 million in wire centers that did not meet the GO 133-D 90% OOS metric is inclusive of the $9 million investment in lieu of fines proposed in AL 49951.

BACKGROUND

Since 1972, the Commission has required public utility telephone corporations such as AT&T to provide service that meets minimum service quality standards.[4] GO 133-C established a minimum set of service quality standards and measures for installation, maintenance, and operator services for local exchange telephone service in California. GO 133-D, adopted in Decision (D.) 16-08-021,[5] expanded on several of GO 133-C's provisions and established a fine mechanism applicable when a carrier fails to meet any of the service quality measures for three consecutive months.[6]

A. Alternative to Invest Twice the Amount of Fine

Section 9.7 of GO 133-D allows carriers subject to annual fines to propose in their annual filing that in lieu of a fine, they will "invest no less than twice the amount of their

[3] Based on adjusted results, 90% of all OOS trouble reports must be repaired within 24-hours. General Order 133-D, § 3.4, subd. (c)

[4] See Pub. Util. Code, § 2896 ("The [C]ommission shall require telephone corporations to provide customer service to telecommunication customers that include but are not limited to…(c) Reasonable statewide service quality standards, including but not limited to, standards regarding network technical quality, customer service, installation, repair, and billing. …"); see also GO 133-D, § 1.1, subd. (a).

[5] D.16-10-019 corrects minor errors in the original version of GO 133-D.

[6] GO 133-D, § 9.

annual fine in a project(s) which improves service quality in a measurable way within two years."[7] Section 9.7 requires the carrier to demonstrate that: 1) twice the amount of the fine is being spent, 2) the project(s) is an incremental expenditure with supporting financials (e.g. expenditure is in excess of the existing construction budget and/or staffing base), 3) the project(s) is designed to address a service quality deficiency and, 4) upon the project(s) completion, the carrier shall demonstrate the results for the purpose proposed.

Carriers are responsible under state law and Commission rules to maintain facilities and provide safe and reliable service by meeting "reasonable statewide service quality standards."[8] Reliable communications services are critical to many aspects of society, including public health and safety, business and commerce, and education, and thus, a telephone corporation's investments in service quality should already be sufficient to meet those needs.

B. AT&T's Alternative Investment Proposals – 2021, 2022, 2023, and 2024

a. 2021 proposal

Resolution T-17769, adopted on January 12, 2023, approved a proposed alternative investment totaling $6,184,800 in lieu of service quality fines totaling $3,092,400 for the year 2021. The Resolution also directed AT&T to submit a CAP as a Tier 3 Advice Letter pursuant to GO 133-D, Section 7. The CAP should explain the reasons AT&T has failed to meet service quality standards required by GO 133-D and outline the actions that the company will take to correct the failures and improve its performance to a level that meets the established measures and standards. AT&T submitted its CAP proposal in AL 49420 on March 13, 2023, and two supplemental advice letters, AL 49420A and 49420B (Table 1 – AT&T CAP proposed in AL 49420).

Resolution T-17789, adopted June 20, 2024, denied AT&T's proposed CAP due to its failure to meet the requirements set forth in Resolution T-17769. The two-year monthly targets proposed in the CAP in AL 49420, 49420A, and 49420B failed to bring AT&T into compliance with the service quality standards set by GO 133-D. AT&T stated that it would not be willing to invest in hiring and training the necessary number of technicians needed to achieve compliance with the OOS standard.[9] AT&T argued that

[7] GO 133-D, Section 9.7.
[8] See, *e.g.*, Pub. Util. Code, §§ 451 and 2896, subd. (c).
[9] AL 49420B, pg. 5.

the OOS metric is not meaningful and that the cost of training enough technicians to meet the standard is too exorbitant, leading to its inability to comply with GO 133-D service quality standards.[10] Since the adoption of GO 133-D in 2017, AT&T has consistently failed to meet the OOS standard statewide in every month. Resolution T-17789 denied the proposed CAP and referred the matter to the Commission's Executive Director to determine what steps AT&T could take to address the Commission's concerns related to voice service outages.

AT&T met and conferred with the Executive Director as ordered and subsequently filed a Revised CAP in AL 49908 on December 6, 2024.

Table 1. AT&T's monthly target percentage of OOS tickets restored within 24 hours submitted in AL 49420.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022 % of repair tickets restored ≤ 24 Hours	28.3%	59.1%	69.0%	56.6%	58.8%	52.5%	47.8%	52.2%	45.4%	61.5%	47.1%	35.7%
2023 % of repair tickets restored ≤ 24 Hours					60.8%	54.5%	49.8%	54.2%	47.4%	63.5%	49.1%	37.7%
2024 % of repair tickets restored ≤ 24 Hours	30.3%	61.1%	71.0%	58.6%	62.8%	56.5%	51.8%	56.2%	49.4%	65.5%	51.1%	39.7%
2025 % of repair tickets restored ≤ 24 Hours	32.3%	63.1%	73.0%	60.6%								

b. 2022 proposal

AT&T submitted AL 49396 on February 15, 2023, and accurately calculated $3,015,000 in service quality fines under GO 133-D for failing to meet the OOS standard for twelve months in 2022. GO 133-D requires carriers to restore 90% of reported outages within 24 hours. AT&T requested that the Commission suspend the fine and approve its proposed $6,030,000 alternative investment projects in seven wire centers within its operating territory in California. AL 49396 was approved by CPUC's administrative process on January 11, 2024.

c. 2023 proposal

Additionally, AT&T proposed to invest $5,760,585 in lieu of paying the service quality fine for failing to meet the OOS metric for twelve months in 2023. AT&T filed AL 49695

[10] AL 49420B, pg. 13.

and AL 49695A on February 15, 2024, and May 22, 2024, respectively, proposing its plan to deploy FTTP to 3,255 locations across eight wire centers. However, AL 49695 and 49695A were indefinitely suspended on July 30, 2024, following the decision in Resolution T-17789 to deny the proposed CAP and direct AT&T to consult with the Executive Director to resolve the matter.

d. 2024 proposal

AT&T submitted AL 49951 on February 18, 2025, and correctly calculated a GO 133-D service quality fine of $2,663,100 for failing to meet the minimum OOS metric for twelve months in 2024. AT&T did not propose a specific in lieu of investment of at least twice the fine in AL 49951 but instead referenced the proposed investment outlined in AL 49908 where AT&T proposed to invest at least $9 million to deploy advanced fiber optic services in Priority Investment Areas for GO 133-D service quality fines for 2024. Table 2 below summarizes AT&T's advice letters proposing investment in lieu of GO 133-D service quality fines from 2021 through 2024.

TABLE 2. – A summary of ATT's Investment In Lieu of Fines Advice Letters. 2022 - 2025.

AL #	Date Filed	Resolution #	Date Issued	Fine Amount	Investment In Lieu of Fine
49018	2/15/2022	T-17769	1/12/2023	$3,092,400	$6,184,800
49396	2/15/2023	N/A	Administratively Approved	$3,015,000	$6,030,000
49695	2/15/2024	N/A	Indefinitely Suspended	$2,880,292.50	$5,760,585
49951	2/18/2025	T-17880	Pending	$2,663,100	$9,000,000

II. DISCUSSION

A. AT&T AL 49908 Revised CAP and AL 49951 2024 Investment In Lieu of Fines

AT&T's Revised CAP in AL 49908 proposes to invest $71 million to deploy FTTP in portions of up to 209 wire centers currently served by AT&T's copper network that did not meet the GO 133-D OOS metric in 2023 and that overlap with California's Priority Population Map.[11] The use of California's Priority Populations Map to determine Priority Investment Areas in disadvantaged communities was included at the request of the CPUC Executive Director.[12] Priority populations are comprised of disadvantaged communities, low-income communities, and low-income households.

The California Environmental Protection Agency (CalEPA) defines disadvantaged communities as: those in the top 25% of census tracts experiencing disproportionate amounts of pollution, environmental degradation, and socioeconomic and public health conditions by the CalEnviroScreen 4.0 tool;[13] census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps but with the highest 5% Pollution Burden composite score; census tracts identified as disadvantaged, regardless of their scores; and lands controlled by federally recognized Tribes. Low-income communities and households are defined as those with incomes either at or below 80% of the statewide median or below a threshold established by the Department of Housing and Community Development.

The CPUC concludes that approval of the Revised CAP as proposed in AL 49908 will resolve the outstanding CAP issues from Resolutions T-17769 and T-17789, and any fines or penalties related to AT&T's GO 133-D service quality reporting for the years 2022, 2023, and 2024. AT&T's investment in lieu of fine proposals submitted in advice letters between 2022 and 2025 total $26,975,385. AT&T is committing to invest at least $71 million, more than double the initial amounts proposed, to deploy last-mile fiber to underserved and disadvantaged communities. AT&T's proposed investments in its Revised CAP are the result of conferring with the CPUC's Executive Director and will resolve the outstanding CAP issues and fines related to its investment in lieu of fine proposals.

B. Improvements in Voice Services and OOS repair rates

[11] California Climate Investments Priority Populations 4.0 – California Air Resources Board
[12] AL 49908, pg. 3.
[13] Priority Populations have been designated by the California Environmental Protection Agency ("CalEPA"), consistent with Assembly Bill 1550 and Senate Bill 535.

AT&T contends that the primary purpose of its fiber investments associated with the Revised CAP is to enhance AT&T's communications infrastructure by installing new fiber facilities. AT&T states that most of the funding will go to installing new fiber cables, with remaining funding to install supporting equipment with the aim of offering faster internet speeds (currently ranging from 100 Mbps to 5 Gbps), enhanced service quality, and reduced broadband/Voice over Internet Protocol (VoIP)[14] outages for those customers migrating to AT&T's fiber network. AT&T asserts that fiber networks offer numerous benefits when compared to copper networks, including higher reliability, lower maintenance costs, faster repair times, and more durability during harsh weather conditions as compared to copper. Fiber networks also have the capability to support advanced data-intensive services like video streaming, cloud services, and online collaboration. AT&T states that the percentage of FTTP trouble reports restored within 24 hours in 2024 was nearly twice that of copper trouble reports. Additionally, the OOS repair time may be significantly improved for fiber-based services as compared to copper because in most instances, the trouble report issue can be resolved quickly without the need to dispatch a technician.[15] Therefore, customers who move to AT&T's fiber-based services may see fewer outages and shorter repair intervals with approval of AT&T's proposal.

C. Investment Categories

AT&T's Revised CAP investments are grouped into four categories as follows:

1. AT&T plans to invest $12 million in fiber deployment to Priority Investment Areas in lieu of fines within AT&T Wire Centers where Commission Staff identified AT&T's OOS results were below 20% in 2021. In line with the meet-and-confer process between AT&T and the CPUC's Executive Director, this investment is targeted at resolving the 2022 and 2023 Service Quality Results outlined in AL 49396 and AL 49695. The investment is expected to be completed within 24 months following approval by the Commission.

2. AT&T plans to invest $38 million to deploy fiber to support planned projects in Priority Investment Areas, beginning in 2024. This project is expected to be

[14] VoIP (Voice over Internet Protocol) is a "voice communications service that does all of the following: (1) Uses Internet Protocol or a successor protocol to enable real-time, two-way, voice communication that originates from, or terminates at, the user's location in Internet Protocol or a successor protocol; (2) Requires a broadband connection from the user's location; and (3) Permits a user generally to receive a call that originates on the public switched telephone network (PSTN) and to terminate a call to the public switched network." (Pub. Util. Code, § 239.)
[15] AL 49908 Supplemental Data Request

completed within 24 months after receiving approval from the Commission. The investment will focus on AT&T selected wire centers that did not meet the GO 133-D 90% OOS metric in 2023. Additionally, some of this investment may be targeted at AT&T Wire Centers where Commission Staff identified that AT&T's OOS results were below 20% in 2021.

3. AT&T plans to invest an additional $12 million to support earmarked projects to deploy fiber in Priority Investment Areas. This deployment is expected to be completed within 24 months after receiving approval from the Commission. The investment will target AT&T selected Wire Centers that did not meet the GO133-D 90% OOS metric in 2023. Additionally, some of this investment may be targeted to AT&T Wire Centers where Commission Staff identified AT&T's OOS results were less than 20% in 2021.

4. AT&T plans to invest $9 million to deploy fiber in Priority Investment Areas in lieu of fines totaling $2,883,100, resulting in AT&T's failures to meet GO 133-D service quality in 2024 as reported in AL 49951. This project is expected to be completed within 36 months following approval by the Commission. This investment will target AT&T selected Wire Centers that did not meet the 90% OOS metric in 2023. Additionally, some of this investment may focus on AT&T Wire Centers where Commission Staff identified AT&T's OOS results were below 20% in 2021.

We affirm that AT&T will deploy end-to-end fiber-optic infrastructure. To the extent AT&T California anticipates deploying alternative technologies such as fixed wireless or mobile wireless solutions to fulfill these obligations, AT&T will seek and receive written pre-approval from the CPUC Executive Director.

D. Quarterly Reporting Requirements and Enforcement

In order to assess AT&T's progress in meeting GO 133-D requirements, the Commission has determined that the approval of the Revised CAP must be contingent on AT&T providing quarterly update reports to the Commission's Communications Division. These reports are due 30 days after the end of each quarter. The first report will be due on October 30, 2025.

The quarterly reports must include the following information:

1. A summary of completed fiber investment projects, detailing the number of locations where fiber has been deployed. It should include expected start and end dates, and the date when the services will be available for customers to subscribe. This information should be presented in an Excel spreadsheet.

2. A summary of projections for upcoming projects, including the anticipated number of locations to be commenced or completed over the next 90-day period, or the following quarter. This information should be presented in an Excel spreadsheet.

3. A comprehensive estimate of the budget for each project to be commenced or completed over the next 90-day period, broken down by specific locations. This information should be presented in an Excel spreadsheet.

4. The general ledger, which records the project's actual costs.

5. A summary of the total cumulative investments made by AT&T for each reported quarter. It should include (a) the investment amount, and (b) the remaining balance for each of the investment categories.

6. GIS shapefiles of completed fiber projects, and corresponding US Census Tracts.

7. GIS shapefiles of upcoming fiber projects for the following quarter.

8. Information about fiber investment areas and identification of wire centers containing the project information, including CLLI[16] codes and Central Offices, and both current service quality results and service quality results from the last quarter for the wire centers, and Broadband Service speeds (download and upload) that will be available to households within the project area after the project is completed.

[16] CLLI (Common Language Location Identifier) is an identifier used in the North American telecommunications industry to specify the location of equipment.

In addition, starting one year after the Commission approves the plan, and continuing until six months after the final report is submitted following the completion of the deployment projects outlined in the Revised CAP, AT&T is required to provide:

9. Information on the number of customers in the investment areas who have subscribed to AT&T's fiber services.

10. The OOS 24-hour repair rate of AT&T's fiber service in these investment areas.

11. Its assessment of whether it met the service quality standards as outlined in GO133-D, or its successor, related to these investment areas.

AT&T is fully responsible for tracking its investments, maintaining detailed budgets and recording actual costs for each project to support that investments amounts are incremental investments to AT&T's already planned capital budgets. The company must ensure that the remaining balance of each investment is accurately reflected in its accounting system. This information should be readily available upon request from Commission Staff. Additionally, AT&T must be available to meet with Commission Staff each quarter at their request to discuss the investment projects and progress in meeting service quality standards and metrics in the reports.

E. <u>Protests</u>

On January 6, 2025, The Utility Reform Network (TURN) filed a protest against AT&T's AL 49908. TURN opposes AL 49908 on the grounds that it omits material information to demonstrate that its $71 million investment in lieu of fines is incremental. If a carrier proposes an investment in lieu of fines for a project and for an amount it had already planned to implement, the carrier effectively avoids a fine and makes the investments using what should otherwise be fine expenditures – removing an incentive to make service quality improvements. AT&T does not indicate whether the proposed investments are expenditures in excess of existing construction budget or staffing base. TURN also argues that AT&T did not provide supporting financial or other documentation that shows the projects are new and funded in excess of business-as-usual funding levels.[17]

[17] Protest of The Utility Reform Network of AT&T Advice Letter 49908 (January 6, 2025).

TURN also criticizes AT&T for omitting crucial definitions or details on the proposed deployment of services. Furthermore, it states that AL 49908 does not provide sufficient information to assess whether the resulting fiber deployments and subsequent services offered as part of the proposed investments specifically address the service quality deficiencies that the Revised CAP was meant to improve.

TURN also filed a protest against AL 49951 on March 10, 2025, on AT&T's proposal to invest $9 million in lieu of a GO 133-D service quality fine for not meeting the OOS standard in 2024. TURN referenced arguments made in its protest of AL 49908 against the investment proposal, and on grounds pursuant to G.O. 96-B, Rule 7.4.2(6), which states that a protest may be based on the grounds that "[t]he relief requested would be unjust [or] unreasonable…provided that such a protest may not be made where it would require relitigating a prior order of the Commission."[18]

The Commission shares TURN's concerns, and therefore approves the Revised CAP, subject to the reporting requirements detailed in Section D, Quarterly Reporting Requirements and Enforcement. If AT&T's Revised CAP fails to show improvement in meeting service quality standards, either in its quarterly reports or after the completion of the proposed fiber deployment projects, the Communications Division may refer the matter to the Commission's Consumer Protection Enforcement Division (CPED) and request CPED to take further enforcement actions, including the option to open an Order Instituting Investigation.

III. RULEMAKING 22-03-016 IS ALSO EXAMINING SERVICE QUALITY

Throughout the aforementioned filings, AT&T has not provided any viable reason to justify why it cannot comply with GO 133-D. Instead, it asserts that it shouldn't have to comply with the GO for policy reasons. Regardless of whether AT&T's policy arguments have merit, an advice letter filing is not the appropriate venue for presenting them. Unless and until the Commission amends or rescinds GO 133-D, AT&T is obligated to comply with its provisions.

The Commission's Rulemaking (R.) 22-03-016 is currently reviewing proposed amendments to GO 133-D, including revisions to the OOS metric. The Commission will evaluate whether the current service quality standards in GO 133-D align with its

[18] Protest of The Utility Reform Network of AT&T Advice Letter 49951 (March 10, 2025).

objectives and remain applicable in today's regulatory environment. Additionally, the Commission will examine whether the existing enforcement framework in GO 133-D is sufficient to improve the quality of substandard voice communications services. AT&T has the opportunity to present its policy arguments there.

Nothing in this Resolution limits the Commission's ability to impose other legal requirements or AT&T's obligation to comply with other legal requirements, including but not limited to General Order 133-D or its successors; Public Utilities Code sections 451 and 2107; and Rule 1.1 of the Commission's Rules of Practice and Procedure.

IV. SAFETY CONSIDERATIONS

A carrier's failure to meet GO 133-D service quality standards limits customers' ability to call 911 and other emergency services and restricts public safety personnel from communicating with each other during emergencies or disasters.

V. CONCLUSION

Resolution T-17880 approves AT&T's Revised CAP proposal in AL 49908 and the investment in lieu of GO 133-D service quality fines for 2024 in AL 49951. The purpose of the Revised CAP is for AT&T to meet all GO 133-D service quality standards by the conclusion of each project and to demonstrate a consistent trend towards achieving this goal. AT&T is required to submit quarterly update reports as mandated in this Resolution. If AT&T successfully demonstrates improvements in service quality, this will resolve outstanding enforcement issues related to service quality for the years 2022, 2023, and 2024.

AT&T will invest $71 million in FTTP in Priority Investment Areas, as identified by the California Priority Populations Map. At a minimum, $62 million of the Revised CAP fiber deployment will be completed within 24 months after receiving approval by the Commission. The remaining $9 million in investment projects will be completed within 36 months after approval by the Commission.

If AT&T's Revised CAP is not fully funded and implemented or fails to show improvement in meeting service quality standards the Communications Division may refer the matter to the Commission's Consumer Protection Enforcement Division (CPED) and request CPED to take further enforcement actions as deemed appropriate.

COMMENTS

In compliance with Public Utilities Code § 311(g), the Commission emailed a notice letter on April 30, 2025, informing all parties on the general service list of the availability of this Resolution for public comments at the Commission's website www.cpuc.ca.gov. The notice letter also informed parties that the final conformed resolution adopted by the Commission will be posted on the same website.

Opening comments were submitted by The Utility Reform Network (TURN) and AT&T on May 20, 2025, and by Empowering Quality Utility Access for Isolated Locations (EQUAL) on May 22, 2025. Reply comments were submitted by AT&T on May 27, 2025.

Opening Comments Summary
TURN stated that AT&T has not provided sufficient evidence that AT&T's proposed investments are incremental to what the carrier previously elected to invest in its network in California. TURN claims that approval of this resolution, as proposed, would enable AT&T to continue to defy the Commission's service quality rules, would not instill public confidence that the proposed investments will measurably improve service quality, and would potentially undermine the efficacy of the fine mechanism under GO 133-D, or its successors. TURN suggested modifications to the resolution in its current form including publicly identifying the wire centers subject to the Revised CAP, and a more narrowly focused map to identify Priority Investment Areas, such as the SB 535 Disadvantaged Communities map.

EQUAL is opposed to the Commission's approval of the CAP and stated that it would allow AT&T to invest in its network build out rather than pay a fine without any demonstration that the investment exceeds amounts AT&T already planned to spend. Unless AT&T is required to invest amounts above its planned network build, AT&T will incur no penalty at all for its chronic poor performance. EQUAL states that given how much money AT&T states it will be pouring into a fiber infrastructure, its very likely that the investment is no more than it had already budgeted. Therefore, there is no penalty at all, but rather a well concocted plan by AT&T which allows it to do what it already had planned.

AT&T stated that the Commission's requirement to show "improvement in meeting service quality standards" is too broad and should be clarified to state that the service quality improvements in its Revised CAP only apply to fiber services deployed in

Priority Investment Areas. Furthermore, AT&T requests that Quarterly Reporting Requirement No. 3 be revised to indicate that AT&T is committed to providing quarterly budget estimates for projects to be commenced or completed 90 days before launch of the actual build, when deployment plans are solidified.

AT&T further stated that the POTS OOS Metric fails to meaningfully reflect service quality and is economically impractical and that the annual cost of meeting the OOS is extremely high on a per customer basis. Increasing the cost of POTS to pay for compliance with the OOS metric is unreasonable and not what customers want. According to AT&T, a more appropriate service quality standard for measuring fiber-based broadband service is trouble ticket data.

Reply Comments Summary AT&T disagrees with TURN's assertion that this resolution and AT&T do not address the issue of incremental costs. AT&T states that TURN incorrectly relies on Rule 9.7 of GO 133-D (which addresses incremental expenditures), which is not applicable here. Rather, Commission Resolution T-17789 was adopted pursuant to Rule 7 of GO 133-D (not Rule 9.7). Rule 7 addresses "Staff Investigations and Additional Reporting Requirements," and was the basis for the requirement in the Resolution requiring AT&T and the Executive Director to meet and confer, which resulted in a fiber investment proposal that would advance the state's commitment to bridging the digital divide and enhancing internet access for unserved and underserved communities.

AT&T argued that TURN's assertions that AT&T should identify wire centers subject to the Revised CAP overlook the fact that AT&T committed to identify wire centers in Priority Investment Areas in its quarterly reporting. AT&T disagrees with TURN's assertion that the Revised CAP could result in inequitable outcomes that benefit non-disadvantaged communities and stated that the Priority Population map is a reliable and effective tool for identifying Priority Investment Areas for fiber deployment.

Communications Division Response

The Communications Division (CD) appreciates the comprehensive and constructive Opening Comments and Reply Comments filed by parties.

In response to comments by TURN and EQUAL, CD recognizes that AT&T's investments must be incremental to AT&T's previously planned Capital Expenditure

(CAPEX)[19]. In its comments, TURN suggests that AT&T would have forward-looking investment plans for wire centers in California. However, the comments of TURN and EQUAL do not clearly identify nor propose a methodology to confirm incremental investment. CD considers AT&T 's commitment to invest in FTTP connections in wire centers that are in disadvantaged communities (SB 156/CalEnviroScreen, below 80% median MHI, etc.) as incremental investments in California communities that AT&T has not deployed fiber services to. The reason for including the disadvantaged communities provision was to provide direction to AT&T to invest in communities they wouldn't normally have invested in. Furthermore, CD retains the right to seek financial information from AT&T to assess incremental investment in California.

CD disagrees with TURN and EQUAL that approval of the Revised CAP would reward AT&T for poor service quality by not incurring GO 133-D fines and approving a CAP that would potentially invest no more than what was previously budgeted. The $71 million in fiber deployments in Priority Investment Areas will provide up-to-date and improved communications options in disadvantaged and underserved communities and more than double the amount of fines incurred in 2022, 2023, and 2024.

Lastly, CD disagrees with AT&T that the reporting requirements are too broad. Nonetheless, the Commission will be implementing new service quality rules that would expand service quality metrics to VoIP calls. Therefore, the Revised CAP's goal to expand fiber in Priority Investment Areas should contribute to improved service quality and assist AT&T in complying with service quality standards as set forth in GO 133-E or its successors.

FINDINGS OF FACT

1. GO 133-D, Section 9.6 directs any telephone corporation whose service quality performance does not meet the minimum standards to submit annually, by February 15 of the following year, a Tier 2 AL that shows by month each quality measurement that did not meet the minimum standards, and the applicable fine.

2. AT&T failed to meet the GO 133-D OOS standard in every month from January 2017 through December 2024.

[19] GO 133-D, Section 9.7

3. AT&T conferred with the Executive Director to propose a Revised CAP and address outstanding service quality enforcement issues related to outages in 2022, 2023, and 2024 pursuant to Resolution T -17789 which was approved on June 24, 2024.

4. AT&T's Revised CAP in AL 49908 commits to investing $71 million to deploy Fiber to the Premises in Priority Investment Areas as defined by the California Priority Populations Map.

5. AT&T's AL 49951 includes a request to suspend the $2,883,100 service quality fine applicable to 2024 and a proposal to invest $9,000,00 to deploy FTTP in Priority Investment Areas as described in AL 49908 and pursuant to GO 133-D, Section 9.7.

6. Fiber networks are more durable in harsh weather conditions compared to copper which tends to deteriorate and corrode more quickly. Seasonal fluctuations for fiber outages are fewer than for copper, and repair time for outages for fiber services is shorter that those over copper.

7. AT&T will submit quarterly reports and a final report six months after completion of the deployment projects set forth in the Revised CAP as outlined in Section II-D.

8. On April 30, 2025, the Commission emailed a draft of this Resolution to all parties on the general service list for public comments.

CONCLUSIONS OF LAW

1. It is reasonable for the Commission to approve AT&T's Revised CAP submitted in AL 49908 after conferring with the CPUC's Executive Director pursuant to Resolution T-17789.

2. It is reasonable to require AT&T to meet all GO 133-D service quality metrics and submit quarterly reports and a final report six months after completion of optical fiber deployment projects proposed in this Resolution.

3. This Resolution does not limit the Commission's ability to impose on AT&T's obligation to comply with other legal requirements, including but not limited to General Order 133-D or its successors, Public Utilities Code § 451 and 2107, Rule 1.1

of the Commission's Rules of Practice and Procedure, an Order Instituting Investigation or other enforcement actions.

THEREFORE, IT IS ORDERED that:

1. AT&T California's (U-1002-C) Revised CAP in AL 49908 and alternative investment proposal in AL 49951 is approved.

2. AT&T California (U-1002-C) shall comply with requirements as discussed herein.

3. Enforcement actions might be taken by the CPUC's Consumer Protection and Enforcement Division if the conditions of the Revised CAP are not met or fail to deliver measurable improvements in voice service quality as discussed herein.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the California Public Utilities Commission at its regular meeting on June 12, 2025. The following Commissioners approved it:

/s/RACHEL PETERSON

Rachel Peterson
Executive Director

Commissioners