

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division
Carrier Oversight and Programs Branch

RESOLUTION T-17918
December 3, 2026

RESOLUTION

RESOLUTION T-17918. AT&T California (U-1001-C) Advice Letter (AL) 50202

PROPOSED OUTCOME: AT&T is required to pay 2025 fines totaling \$2,675,969.50 for its failure to meet the minimum service quality standards specified in General Order (GO) 133-D. Consequently, the Alternative Proposal for Mandatory Corrective Action in lieu of payment of the above fine is rejected.

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

On February 17, 2026, AT&T submitted a Tier 2 Advice Letter, AL 50202, providing its calculation of a service quality fine of \$2,675,959.50 for failing to meet the minimum Out of Service (OOS) and Answer Time standards pursuant to GO 133-D, Section 9.6, for calendar year 2025. In lieu of paying the above fine, AT&T has proposed an investment of \$8,027,879 to deploy fiber optic facilities in Priority Investment Areas ¹ currently served by its copper Plain Old Telephone Service (POTS) network.

This resolution requires AT&T California's (AT&T) to pay GO 133-D service quality fine totaling \$2,675,959.50 in 2025 and rejects its Alternative Proposal for Mandatory Corrective Action (investment proposal) in lieu of paying the above

¹ California Air Resources Board. California Climate Investments Priority Populations Mapping Tool 4.0.
626475816

fine.

BACKGROUND

Since 1972, the Commission has required public utility telephone corporations such as AT&T to provide service that meets minimum service quality standards.² 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.) 16-08-021,³ 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.⁴

The five service measures are as follows:

<u>Service Measure</u>	<u>Type of Service</u>
Installation Interval	Installation
Installation Commitments	Installation
Customer Trouble Reports	Maintenance
Out of Service Repair Interval	Maintenance
Answer Time	Operator Services

GO 133-D requires telephone corporations to report, on a quarterly basis, their monthly performance results for each of the five service quality standards⁵ using a standardized form developed by the Commission (known as a "Service Quality Standards Report Card").⁶ These quarterly reports are published on the Commission's website.⁷

² 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).

³ D.16-10-019 corrects minor errors in the original version of GO 133-D.

⁴ GO 133-D, § 9.

⁵ See §§ 3.1(e), 3.2(e), 3.3(e), 3.4(e), and 3.5(e) in both GO 133-C and GO 133-D.

⁶ See GO 133-C, Rule 8 ("8. FORM The attached form is a template for reporting GO 133-C Service Quality Standards. The staff may change this form as necessary."); see also GO 133-D, Rule 10 ("10. FORM The attached form is a template for reporting GO 133-D Service Quality Standards. The staff may change this form as necessary. Additional information can be found on the Commission's website.") The form can be found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/network-performance-and-public-safety/service-quality>.

⁷ See <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/network-performance-and-public-safety/telecommunications-carriers-service-quality-reports> The Commission's Communications Division posts on

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 annual fine in a project(s) which improves service quality in a measurable way within two years.”⁸ 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.”⁹ 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.

PROTESTS

On March 5, 2026, The Utility Reform Network (TURN) filed a protest against AT&T’s AL 50202 urging the Commission to reject the alternative investment proposal in lieu of fines and instead fine AT&T for its chronic failure to meet the OOS and Answer Time standards in GO 133-D in 2025. TURN stated that AT&T’s proposal is unjust, unreasonable and discriminatory given AT&T’s long history of failing to meet minimum service quality requirements. TURN also cited material failures in AT&T’s proposal to demonstrate that “the project(s) is an incremental expenditure with supporting financials”¹⁰, and its efforts to relinquish its Carrier of Last Resort (COLR) obligations as further evidence to reject the proposal.

its webpage all reporting carriers’ Quarterly Service Quality Reports (*i.e.*, service quality report cards) from 2016 to present.

⁸ GO 133-D, Section 9.7.

⁹ See, *e.g.*, Pub. Util. Code, §§ 451 and 2896, subd. (c).

¹⁰ General Order 133-D, Section 9.7.

TURN noted that AT&T's proposal to invest in fiber in selected areas in lieu of paying service quality fines does not identify the priority areas for these deployments.¹¹ TURN added that AT&T's prior investments in lieu of paying GO 133-D fines have not resulted in meaningful service quality improvements.

AT&T filed a response to TURN's protest on March 16, 2026, asserting that TURN's claim that prior investments failed to produce meaningful service quality improvements is incorrect. AT&T stated that wire center project data is not required in advice letters proposing investment in lieu of fines under Section 9.7, and that it provided sufficient financial documentation to demonstrate the proposed projects are incremental expenditures. AT&T claims its continuous failure to comply with the OOS metric year after year is inconsequential because only 3% of AT&T's voice customers subscribe to POTS services and of those only 0.6% per month experience an outage lasting longer than 24 hours.¹²

AT&T response that only 0.6% of AT&T's customers subscribed to POTS in 2025 does not demonstrate the extent of AT&T failure to comply with the current OOS minimum standard in GO 133-D. AT&T's best OOS performance in 2025 was, in April, 50.6% of outage tickets restored in under 24 hours. This equates to 2,737 reported outages lasting longer than 24 hours in April 2025. The worst OOS repair rate in 2025 was in December, with 19.3% of outage tickets restored in 24 hours, resulting in 6,673 reported outages lasting longer than 24 hours. The minimum standard for the OOS metric is 90% of outage tickets restored within 24 hours. AT&T had a total of 49,280 reported outages that lasted longer than 24 hours in 2025.¹³

The number of AT&T outage tickets in 2025 that were not compliant with the OOS metric is shown in Table 1.

Table 1: 2025 OOS Tickets not repaired within 24 hours (non-compliant)

Month	Total # of outage report tickets	Tickets restored >24 hrs.	% restored > 24 hrs.
Jan	7,975	4,770	59.8%

¹¹ TURN Protest of AT&T AL 50202, pg. 5.

¹² AT&T Response to TURN Protest, pg. 4.

¹³ AT&T GO 133-D 2025 service quality reports. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/reports/quarterly-service-quality-reports/2025-quarterly-service-quality-reports/4th-quarter/att-ca-fourth-quarter-2025.pdf>

Feb	8,688	5,847	67.3%
Mar	7,564	4,111	54.3%
Apr	5,557	2,737	49.3%
May	4,893	2,980	60.9%
Jun	5,100	3,205	62.8%
Jul	5,475	3,568	65.2%
Aug	5,502	3,647	66.3%
Sept	5,348	3,163	59.1%
Oct	6,523	4,274	65.5%
Nov	6,022	4,305	71.5%
Dec	8,273	6,673	80.7%

GO 133-D Section 3.4 states that the OOS metric is “a measure of the average interval, in hours and minutes from the time of the reporting carrier’s receipt of the out of service trouble report to the time service is restored for residential and small business customers.” The percentage of a carrier’s voice customers utilizing POTS is not a factor for determining compliance with GO 133-D. Lastly, AT&T did not demonstrate in AL 50202 that the proposed projects are incremental expenditures in excess of existing construction budgets and/or staffing base as required by GO 133-D, Section 9.7.

DISCUSSION

AT&T proposed \$8,027,879 in fiber deployment in targeted areas currently served by copper facilities located in Priority Investment Areas. However, AT&T has not provided sufficient project information, such as project locations and the estimated number of households that would be eligible to subscribe to fiber services, to evaluate the investment proposal. AT&T informed CD Staff (Staff) that it would not be submitting further project details about the investment proposal in lieu of fines outlined in AL 50202, including information to indicate the project(s) is an incremental expenditure with supporting financials.

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.¹⁴ AT&T argued that 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.¹⁵ Since the adoption of GO 133-D in 2017, AT&T

¹⁴ AL 49420B, pg. 5.

¹⁵ AL 49420B, pg. 13.

has consistently failed to meet the OOS standard statewide in every month. Resolution T-17789 rejected a proposed CAP from AT&T 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. The meet-and-confer process resulted in AT&T's commitment to invest \$71 million to deploy fiber in selected wire centers to remedy poor service quality performance in 2021, 2022, 2023, and 2024. AT&T committed to invest in 209 wire centers served by its copper network which are located in disadvantaged communities as identified by the California Priority Populations Map.¹⁶ In contrast, in this current investment proposal, AT&T did not provide specific locations or criteria for selecting wire centers for investment.

AT&T's latest proposal in lieu of fines to install fiber will not guarantee improved service quality because 1) customers must voluntarily switch to fiber services, and 2) fiber requires backup power to continue working when the power is out. (AT&T did not discuss backup power solutions in the event of a disaster or power outage as part of its proposal.), and 3) AT&T has continually failed to meet the statewide GO 133-D OOS standard every month from January 2017.

General Order 133-E

The Commission adopted D.25-09-031 on September 18, 2025 and revised GO 133-D service quality standards for wireline and Voice over Internet Protocol (VoIP) providers. GO 133-E service quality standards will go into effect on January 1, 2027. Under the new rules, providers that fail to repair 90% of outages within 24 hours for six or more months within a calendar year will be required to submit a CAP as a Tier 3 Advice Letter due within 90 days after the end of the calendar year.¹⁷

GO 133-E states that a "telephone corporation with a corrective action plan in place would not be subject to additional corrective action plans until the current plan is dispensed with or any OII or other enforcement action initiated for noncompliance is completed."¹⁸ AT&T currently has an active CAP in place that it promises to be completed until June 2028.¹⁹ If the alternative CAP in AL 50202 is approved, AT&T would have two CAPs in place simultaneously in 2027, which is not consistent with the

¹⁶ [California Climate Investments Priority Populations 4.0](#) – California Air Resources Board

¹⁷ GO 133-E, § 4.

¹⁸ *Ibid.*

¹⁹ T-17880, Section II, C.

new rules under GO 133-E.²⁰

For the reasons stated above, Staff recommends that the investment in lieu of fines proposal in AL 50202 should be rejected and that AT&T must pay GO 133-D fines totaling \$2,675,959.50 for not meeting OOS and Answer Time service quality standards in 2025.

AT&T 2025 GENERAL ORDER 133-D FINES

A carrier's performance, size, and duration of noncompliance are factors in calculating the GO 133-D fine amount. A carrier will begin incurring a fine for these service quality measures when it reaches "chronic failure status," which means a failure to meet the minimum standard for three consecutive months. The carrier will not incur fines for the first two months of noncompliance.²¹ A carrier in chronic failure status will be fined a specific amount specified in Sections 9.3 to 9.5, for each day that it fails to meet the minimum monthly standard. Fines are assessed on an annual basis, but "chronic failure status" is not reset at the end of a calendar year and is determined based on the carrier's continuous service quality performance from year to year.²² A carrier will exit "chronic failure status" once it meets the required standard(s) for two consecutive months.

Section 9.6, Advice Letter Tabulating Fine, requires a telephone corporation that fails to meet the minimum standards to calculate and report the applicable fine imposed by GO 133-D on an annual basis

1. Scaling Factor

General Order 133-D outlines the determination of fine amounts, utilizing base values specified in Sections 9.3 to 9.5. These amounts are then adjusted using a formula that reflects the relative size of the carrier within the California market.²³

²⁰ Resolution T-17880, Section II, D. AT&T must report "(i)t's assessment whether it (met) the service quality standards as outlined in GO 133-D, or its successor, related to these investments."

²¹ GO 133-D, § 9.1.

²² *Ibid.*

²³ Annually, the Communications Division prepares a list of the total number of working telephone working lines in California from carriers subject to GO 133-D requirements. Based on carrier size relative to the number of working lines it serves at the end of June in the reporting year, a carrier receives its unique Scaling Factor, the percentage of its customers relative to all California telephone customers. The table of carriers, working lines, and the percentage of working lines served by each carrier appears as a PDF document titled *Total Number of Working Lines in California for*

The scaling factor is determined using the following formula:

$$(\text{Carrier's Working Lines} / \text{Total CA Working Lines}) = \text{Carrier's Scaling Factor}$$

AT&T Scaling Factor:

$$(\text{AT\&T Working Lines} = 714,2090 / \text{Total CA Working Lines} = 2,430,233) = 29.39\%$$

2. Fines for the GO 133-D Standards

A. Out of Service Repair Interval

The *Out of Service Repair Interval*, as defined in § 3.4, is a metric that quantifies the average interval between when a carrier acknowledges out of service trouble reports and when the customer's service is restored. To determine this average interval, a carrier divides the number of OOS repair tickets that are restored within 24 hours by the total number of reports received. The Minimum Standard Reporting Level for reporting the *Out of Service Repair Interval* mandates that at least 90% of outages must be restored within 24 hours or less.

The fine structure for this standard is calculated using the following criteria as shown in Table 2.

TABLE 2: OOS Interval Fine

Base <i>Out of Service Repair Interval</i> Fine, GO 133-D, Section 9.3		
	1 or 2 Consecutive Months of Standard Not Met	3 or more Consecutive Months of Standard Not Met
Fine Per Day	\$0 per day	\$25,000 per day
Days in a Month	30 days	30 days

June 2025 from Carriers Reporting Under GO 133-D found under Reference Information at: [working-lines-of-traditional-wireline-telephone-corporations-pursuant-to-go-133d--june-2025.pdf](#).

(for all months)		
Base Fine per Month	\$0	\$750,000 per month

AT&T failed to meet the *Out of Service Repair Interval* standard for the following months in 2025 as shown in Table 3.²⁴

TABLE 3: AT&T 2025 OOS Repair Interval

	2025 <i>Out of Service Repair Interval</i> – 90% Minimum											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AT&T	40.2	32.7	45.7	50.7	39.1	37.2	34.8	33.7	40.9	34.5	28.5	19.3

(*chronic failure status - fine assessed)

AT&T's OOS repair rate was below 90% and in “chronic failure status” during every month in 2025. AT&T's OOS proposed fine calculation in AL 50202 is accurate and was calculated as follows:

$$(\text{AT\&T Scaling Factor } 0.2939 \times (\text{Monthly Base Fine } \$750,000) \times (\text{Number of Months in Chronic Failure } 12) = \$2,645,100$$

B. Customer Trouble Reports

The *Customer Trouble Reports* standard, outlined in Section 3.3, measures the number of complaints received by a carrier from its customers regarding their dissatisfaction with company telephone services. The Minimum Standard Reporting Level for the *Customer Trouble Reports* measurement varies depending on the number of working lines per reporting unit.

AT&T met the *Customer Trouble Reports* standard during 2025.

²⁴ Months that fell below the minimum standard show the percentage in red, and months that incurred a fine are marked with an asterisk.

C. Answer Time for Trouble Reports and Billing and Non-Billing Inquiries

The *Answer Time* standard, outlined in § 3.5, measures the amount of time it takes for an operator to answer the phone when customers call a business office for billing and non-billing inquiries, or a repair office to report issues. The value is calculated as an average answer time of a sample of the answering interval of calls to business and repair offices that is representative of the reported period.

The Minimum Standard Reporting Level for *Answer Time* requires that a minimum of 80% of calls should be answered by an operator within 60 seconds. This standard applies whether the caller is speaking to a live agent or has initially engaged with an interactive voice response or automatic response unit system before reaching a live agent.

AT&T were assessed fines for the Answer Time metric in 2025 as shown in Table 4.

TABLE 4: AT&T 2025 Answer Time Metric

	2025 <i>Answer Time</i> – 80% Minimum											
	Jan	Feb	Mar	Apr	Ma y	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AT	84.3	84.6	76.1	85.6	80.8	69.7	62.9	57.7	61.0	39.0	37.9%*	51.0

(*chronic failure status – fine assessed)

AT&T fell below the minimum standard of 80% for Answer Time for eight months in 2025 and was in “chronic failure status” for a total of five months. Fines were assessed from August through September 2025. The Answer Time monthly fine increases incrementally based on the number of months the carrier is not in compliance with the Answer Time metric.²⁵ The proposed fines in AT&T’s advice letter 50202 are accurate and calculated as shown below.

²⁵ GO 133-D, § 9.5. The initial base fine is \$500 per day (1 to 3 months), which will escalate to the highest daily fine of \$2,000 per day (12 months or longer).

(AT&T Scaling Factor 0.2939) X (3-5 months Base Fine \$15,000) X (Number of Months in Chronic Failure 3) = **\$13,225.50**

(AT&T Factor 0.2939) X (6-8 months Base Fine \$30,000) X (Number of Months in Chronic Failure 2) = **\$17,634.00**

Answer Time fine: \$13,225.50 + \$17,634.00 = **\$30,859.50**

D. Installation Interval

The standard for *Installation Interval*, as defined in § 3.1, refers to the amount of time required to install basic telephone service from the time a customer requests service until the service is fully operational. This standard measures the average number of business days between when a service order was placed and when the service became operational. It is calculated by dividing the total number of business days by the total number of service orders a carrier received during a reporting period. The standard requires an installation interval of five business days or fewer and it applies only to general rate case (GRC) Incumbent Local Exchange Carriers (ILECs).

AT&T is an URF ILEC and is exempt from reporting this metric.²⁶

E. Installation Commitments

The standard for *Installation Commitments*, as defined in § 3.2, assesses a carrier's ability to fulfill customer requests for basic telephone service installation. It measures the total monthly commitments made, and the number of commitments that were not fulfilled. The standard applies only to GRC ILECs. The Minimum Standard Reporting Level for *Installation Commitments* is established at 95% of commitments fulfilled.

AT&T is an URF ILEC and is exempt from reporting this metric.²⁷

3. Total Fine Amount

²⁶ GO 133-D, Section 3.1.

²⁷ GO 133-D, Section 3.2.

AT&T's detailed breakdown of the \$2,675,959.50 in total fines related to service quality performance for the Year 2025 is detailed in Table 5 below:

TABLE 5: AT&T 2025 GO 133-D Fines

<u>OOS Fine</u>	<u>Answer Time Fine</u>	<u>Total Fines</u>
\$2,645,100	\$30,859.50	\$2,675,959.50

Fines must be paid within 30 days of the adoption date of the Resolution. Payments should be made by check or money order, payable to the California Public Utilities Commission via mail or in person at the following address:

California Public Utilities Commission
Fiscal Office
505 Van Ness Avenue, Room 3000
San Francisco, CA 94102

AT&T should write on the face of the check or money order:

"For deposit to the State of California General Fund, per Resolution T-17918."

II. 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.

III. CONCLUSION

AT&T failed to meet the OOS metric every month from 2017 through 2025. AT&T did not provide sufficient project information needed to evaluate the investment proposal in AL 50202, such as project locations and the estimated number of households that would be eligible to subscribe to fiber services. AT&T did not demonstrate in AL 50202 that the proposed projects are incremental expenditures in excess of existing construction budgets and/or staffing base as required by GO 133-D, Section 9.7.

Staff recommend that the Commission reject AT&T's alternate proposal in lieu of GO 133-D service quality fines and require AT&T to pay the calculated fines filed in AL 50202. AT&T failed to meet the minimum service quality standards for the OOS and Answer Time standards as set forth in General Order 133-D. AT&T's total fine for non-compliance with GO 133-D for the year 2025 is **\$2,675,959.50**.

COMMENTS

In compliance with Public Utilities Code § 311(g), the Commission emailed a notice letter on October 30, 2026, 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.

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 submitted AL 50202 on February 17, 2026 which correctly calculated a total of GO 133-D service quality fines totaling \$2,675,959.50 for failing to meet the OOS and Answer Time minimum standards in 2025.
3. AT&T AL 50202 included a request to suspend the service quality fine and a proposal to invest \$8,027,879 in service quality improvement projects pursuant to GO 133-D, Section 9.7.
4. AT&T's AL 50202 did not provide project location information, the estimated number of households that would be eligible to subscribe to fiber services, or financial documents to indicate the proposal is an incremental expenditure in excess of existing construction budgets and/or staffing base as required by GO 133-D, Section 9.7.
5. AT&T failed to meet the GO 133-D OOS standard in every month from January 2017 through December 2025.

6. POTS and VoIP carriers will be subject to updated service quality reporting requirements established in GO 133-E and which go into effect in January 2027. The updated service quality rules do not allow for more than one active CAP at a time. AT&T currently has a CAP in place until June 2028.
7. On October 30, 2026, 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 reject AT&T's investment proposal in AL 50202.
2. It is reasonable for the Commission to require AT&T to pay \$2,675,959.50 in GO 133-D service quality fines as set forth in AL 50202 for failing to meet the minimum standards for the OOS and Answer Time standards in 2025.
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) Alternative Proposal for Mandatory CAP in AL50202 is rejected.
2. AT&T California (U-1002-C) shall pay a service quality fine totaling \$2,675,959.50 as specified in AL 50202.
3. Fines shall be paid within 30 days of the adoption date for his resolution for not meeting the OOS and Answer Time standards in 2025.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the California Public Utilities Commission at its regular meeting on December 3, 2026. The following Commissioners approved it:

Leuwam Tesfai
Executive Director