



PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA

MARYBEL BATJER  
PRESIDENT

TEL: (916) 823-4840  
WWW.CPUC.CA.GOV

November 2,

Via Email

Good morning Fossil,

On October 5<sup>th</sup>, you responded to my September 23<sup>rd</sup> request for additional information on AT&T's announcement to retire its DSL services.<sup>1</sup> The confidential responses and the October 16<sup>th</sup> supplementary information are once again short on details and do little to provide me with the confidence that this action is in the public's interest. The responses provide data that we already have, and do little to back up your claim that these customers will be better served by your competitors or by an alternative service that you offer. This is particularly concerning in light of the \$3.75 million fine we just levied on AT&T recently for obfuscation and dishonesty.<sup>2</sup>

The statement that wireless services will fill this gap is not a factually supported claim.<sup>3</sup> Fixed and mobile wireless services do not reach everyone in a community – especially in rural areas, where terrain can be an impediment to receiving a wireless signal. The legacy DSL services may be more than 20 years old, but in far too many communities these outdated services are still the best and only service available. Homes will be devalued by the loss of any prospect for broadband access.<sup>4</sup> Communities fortunate enough to have alternatives will no longer benefit from the service quality and pricing benefits provided by competition.

It may take as long as six years for communities across California and this nation to recover from AT&T's decision to retire DSL services. For too many of these communities that AT&T is abandoning, their next best hope – the Federal

---

<sup>1</sup> [https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About\\_Us/Organization/Commissioners/President\\_Batjer/lps/News/Batjer%20Letter%20Response%20to%20ATT%20re%20DSL%20Retirement%20200923.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Commissioners/President_Batjer/lps/News/Batjer%20Letter%20Response%20to%20ATT%20re%20DSL%20Retirement%20200923.pdf)

<sup>2</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M345/K821/345821634.PDF>

<sup>3</sup> <https://www.ctcnet.us/wp-content/uploads/2017/10/CTC-Mobile-Broadband-White-Paper-final-20171004.pdf>

<sup>4</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2241926](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2241926)

Communications Commission's (FCC) Rural Digital Opportunity Fund (RDOF) – is six years away.<sup>5</sup> That timeline is simply unacceptable.

You claim that “AT&T strives to make these service transitions and technology upgrades in a responsible, and transparent way” – but your actions to date do not inspire such confidence. AT&T reports to provide three types of DSL service: ATM, IPDSL, and VDSL. Your original letter from September 4<sup>th</sup> indicated that you were retiring “ATM” DSL. Without any explanation, your October 5<sup>th</sup> letter adds a new service – “IPDSL” – that you are decommissioning. To make matters more confusing, AT&T's website announces “AT&T no longer offers DSL service.”<sup>6</sup> For reference, a list of the fixed broadband services that AT&T provides in California is provided below:

<b>Service</b>	<b>Reported Maximum Speed (upload/ download)</b>	<b>Estimated Housing Units with Service Availability</b>
ATM DSL	6 Mbps / 0.5 Mbps	9.4 million
Fixed Wireless	10 Mbps / 1 Mbps	0.3 million
IPDSL	25 Mbps / 2 Mbps	9.7 million
VDSL or “U-Verse”	100 Mbps / 20 Mbps	7.3 million
“FTTP” or “Fiber”	1000 Mbps / 1000 Mbps	2.6 million

A map of your broadband services is available for the public to view here: <https://www.arcgis.com/home/webmap/viewer.html?webmap=a3b9efb41ac747628ea526a84d7a1dd7&extent=-128.7241,31.3565,-106.9931,42.5556>

Further, a preliminary analysis of the impact of this retirement indicates:

- AT&T offers wireline broadband services to approximately 10 million housing units out the 14.3 million in California.
- Approximately 8 million housing units have VDSL or Fiber available, and will not be impacted by the announcement to retire ATM and IPDSL.
- Approximately 1.9 million housing units only have access to AT&T's ATM and IPDSL and will no longer be eligible for AT&T's wireline services.
  - This accounts for ~23% of housing units served by AT&T's wireline networks.
  - Approximately 285 thousand of these housing units (~15%) are served by AT&T's Fixed Wireless service.

---

<sup>5</sup> The FCC's Rural Digital Opportunity Fund provides applicants six years before their build outs must be complete.

<sup>6</sup> <https://www.att.com/internet/dsl/>

The lingering question remains, why hasn't AT&T made the incremental investments necessary to upgrade all DSL customers to VDSL or even more ideally, fiber to the premises?

It is clear AT&T began disinvesting in these networks and communities years ago, as detailed in the Commission's Network Exam.<sup>7</sup> This report seems to indicate that the "more than 37% decrease in residential DSL customers in California from 2017 through 2019" that AT&T experienced was the result of intentional business decisions not to maintain or upgrade these services. These customers fled because they were receiving dismal service that has only continued<sup>8</sup>. And the Network Exam confirmed that service would have improved, had AT&T invested in these networks by providing the high-speed broadband that Californians need so desperately today, as highlighted by the pandemic. Also confirmed in the Network Exam, AT&T's investment decisions have been driven by market forces alone, leading to a focus on serving higher income communities the highest speed and highest quality services.

AT&T continues this network disinvestment despite receiving significant public support. For example, AT&T received more than \$400 million from the FCC's Connect America Fund II, over the past seven years to deploy low-speed fixed wireless service.<sup>9</sup> The California High Cost Fund-B program has been providing AT&T with an average \$146 per year per voice subscriber in hard to serve areas of the state for decades.<sup>10</sup> AT&T also collects substantial revenue through its "Administrative Fee" and "Regulatory Cost Recovery Fee," – which are considerably more than the state levies for its 911 and universal service programs.<sup>11</sup> It would seem this revenue would be sufficient to invest in future-proof broadband services throughout its service territory.

Underserved communities must be prioritized, *not abandoned*, especially during a time of unprecedented wildfires and a worldwide public health crisis. This presents a situation wherein those who reside in an area that have gigabit fiber networks, versus those who reside in a service area with wireless-based networks that are 10x - 40x slower, if there is service offered all. AT&T's announcement will have severe and lasting consequences throughout California. It is my duty, and that of this Commission, to review the consequences of your announcement, which will surely reverberate throughout the remote areas of California.

---

<sup>7</sup> <https://www.cpuc.ca.gov/General.aspx?id=6442462050>.

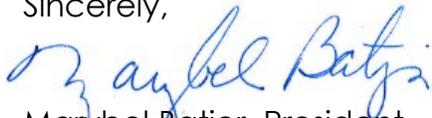
<sup>8</sup> Service Quality Reports: <https://www.cpuc.ca.gov/General.aspx?id=1107>

<sup>9</sup> <https://www.cpuc.ca.gov/General.aspx?id=9295>.

<sup>10</sup> AT&T participates in the CPUC's High Cost Fund B Program in which they: <https://www.cpuc.ca.gov/General.aspx?id=989>.

<sup>11</sup> <https://www.wireless.att.com/cell-phone-service/additionalcharges/?txtzip=96818#:-:text=The%20Regulatory%20Cost%20Recovery%20Charge,are%20not%20yet%20fully%20recovered>.

Sincerely,



Marybel Batjer, President  
California Public Utilities Commission

CC: Governor Gavin Newsom  
State Superintendent of Public Instruction Tony Thurmond  
Senate Energy, Utilities and Communications Chair, Senator Ben Hueso  
Assembly Communications and Conveyance Chair, Assemblymember  
Miguel Santiago  
California Broadband Council Chair, Director Amy Tong  
Director of the Office of Emergency Services, Mark Ghilarducci  
Commissioner Liane Randolph, CPUC  
Commissioner Martha Guzman Aceves, CPUC  
Commissioner Clifford Rechtschaffen, CPUC  
Commissioner Genevieve Shiroma, CPUC  
Acting Executive Director Rachel Peterson  
Communications Division Director Robert Osborn  
Office of Government Affairs Director Hazel Miranda  
President of AT&T California, Rhonda Johnson  
Vice President, AT&T Access and Construction Engineering, Jeff Luong



Fassil Fenikile  
Assistant Vice President

Regulatory Affairs  
430 Bush Street, 5<sup>th</sup> Floor  
San Francisco, CA 94108

att-regulatory-ca@att.com  
www.att.com  
415.417.5033

October 5, 2020

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Via Email

Dear President Batjer,

This letter and attachment are in response to your September 23, 2020 inquiry regarding AT&T's retirement of AT&T Legacy ATM-based DSL and AT&T IPDSL services in California. We have attempted to provide as much detail and clarity in our responses as possible within your requested timeframe. Should you or the staff need additional information that can more completely answer your questions, please let us know and we will provide it in supplemental communications.

Before addressing your specific questions, I do want to take this opportunity to again state that AT&T is committed to serving its customers. For decades, AT&T has worked through technology transitions, and we have a thoughtful process in place to care for the small number of AT&T DSL service customers in California – as detailed in the attachment - who will be affected when we eventually transition these services, as described in AT&T's September 4 letter.

As you know, our society continues to undergo rapid change in the digital age, and consumers are demanding newer and more advanced technologies. That is why we have seen a more than 37% decrease in residential DSL customers in California from 2017 through 2019. Broadband infrastructure and the services they support are dynamic. To meet the rapidly growing needs of consumers for more bandwidth and better quality, deployment of newer technologies and advanced services is necessary to replace outdated services and manufacturer-discontinued equipment<sup>1</sup> and to meet customers' needs and demands. AT&T's transition from DSL to fiber and wireless services is part of this process.

As explained in our September 4<sup>th</sup> letter, existing DSL customers within the AT&T fiber footprint will have an alternative broadband service at a superior speed available to them today. Existing AT&T DSL customers not within AT&T's fiber footprint may continue with their service uninterrupted, although they will not be able to move or make changes to their service. Starting October 1, 2020 AT&T offers AT&T Wireless Home Internet (AWI) service to customers that are within the current DSL footprint but are not within AT&T's fiber footprint. AWI provides equivalent or better service than ATM-based DSL. Customers

---

<sup>1</sup> AT&T has struggled to locate manufacturer-discontinued parts (often having to buy them on eBay) to maintain these DSL services.

may also seek another wireline or wireless provider for broadband service. As a final point, for those households that fall within our wireline footprint, wireline voice service is unaffected when we stop selling these DSL services.

The responses to the specific questions listed in your letter are provided in the attached document.

AT&T strives to make these service transitions and technology upgrades in a responsible, and transparent way. We take seriously our need to build careful roadmaps that clearly communicate with customers and the Commission around technology transitions or changes. We look forward to working constructively with you and your staff to help meet the needs of consumers and to bring them the most advanced and advantageous services. Broadband networks are constantly evolving, and this will not be the last time AT&T, or other providers migrate to a new service or update the technology by which customers are served, including existing DSL customers.

Thank you for your time and attention. If you should have further questions or would like a briefing, please do not hesitate to reach out to me directly.

Sincerely,



Assistant Vice President, Regulatory Affairs

Cc:

Commissioner Liane M. Randolph  
Commissioner Martha Guzman Aceves  
Commissioner Clifford Rechtschaffen  
Commissioner Genevieve Shiroma  
Acting Executive Director Rachel Peterson  
Communications Division Director Robert Osborn  
Rhonda Johnson, President AT&T California