## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



Order Instituting Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service.

Rulemaking 18-07-006 (Filed July 12, 2018)

## AT&T COMMENTS ON ALJ'S RULING ADDING WORKSHOP PRESENTATIONS INTO THE RECORD AND INVITING POST-WORKSHOP COMMENTS

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Pursuant to the Administrative Law Judge's Ruling Adding Workshop Presentations into the Record and Inviting Post-Workshop Comments, AT&T<sup>1</sup> hereby submits its comments.

The days of only one option for Californians to meet communications needs are long gone. Today, Californians communicate through voice service using wireline, wireless or VoIP and communicating by email, Twitter®, Instagram®, SnapChat®, text messaging, FaceBook®, and FaceTime®. Calls can be made using smart speakers connected to the internet such as Amazon Alexa®. Not only are these methods to communicate new, many are free. In 2016, the Commission found that wireless and VoIP have "displaced traditional landline phone as the primary modes of voice communications," and "Voice communications itself is a diminishing segment of the broader telecommunications market."

Californians find and choose the service(s) they need and can afford from this huge field of communications options. This panoply of services makes measuring affordability of communications services available for Californians a fruitless task.

Moreover, the "Report of the Communications Division Pursuant to Ordering

Paragraph 3 of Decision 16-12-025 Analyzing the California Telecommunications Market"

further evidences the point that the effort to quantify affordability of communications is not

fruitful. In that report, the Staff found that only 0.2% of California households have the choice

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<sup>&</sup>lt;sup>1</sup> Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C) and its affiliates AT&T Corp. (U 5002 C); Teleport Communications America, LLC (U 5454 C); and 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)) are collectively referred to hereinafter as "AT&T."

<sup>&</sup>lt;sup>2</sup> Re Order Instituting Rulemaking on the Commission's Own Motion to Assess and Revise the Regulation of Telecommunications Utilities, Decision No. 06-08-030, Opinion 2006 WL 2527822 (Cal.P.U.C. Aug. 24, 2006), mimeo, pp. 262, 267-68 (Findings of Fact 17, 19, 67, 76).

<sup>&</sup>lt;sup>3</sup> *Id.* at 263 (Finding of Fact 24).

of only one voice provider and 99.2% have the choice of three or more voice providers.<sup>4</sup> For fixed broadband, only 5.3% have the choice of one provider, with 93.6% having the choice of two or more providers.<sup>5</sup> Californians can also purchase mobile broadband, with 97.4% of California households having a choice of three or more providers. <sup>6</sup> Broadband, taking account of all technologies, is available from three or more providers to 99.5% of California households.

Considering the large number of types of communications services and the number of voice and broadband providers available to virtually every California household, leads to one conclusion: Californians are able to find, in this market, what they want for what they want to spend.<sup>7</sup> Attempting somehow to measure affordability of communications services in the face of the numerous types of services and number of providers cannot result in reliable conclusions. AT&T's proposal is the Commission should only pursue the issues in this Rulemaking for monopoly services that have regulated rates.

May 13, 2019

Respectfully submitted,

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<sup>&</sup>lt;sup>4</sup> "Report of the Communications Division Pursuant to Ordering Paragraph 3 of Decision 16-12-025 Analyzing the California Telecommunications Market", Table 13, p. 27.]

<sup>&</sup>lt;sup>5</sup> *Id.*, Table 2, p. 15.

<sup>&</sup>lt;sup>6</sup> *Id.*, Table 3, p. 17.

<sup>&</sup>lt;sup>7</sup> The Commission's public purpose programs address any issues of income limitations.