



Fact Sheet: California Network Modernization

AT&T has submitted two applications to the CPUC to start the process for an orderly transition to IP-enabled wireless and fiber networks. One of our applications, if approved, would remove AT&T's regulatory obligation to provide traditional phone service in a large portion of our service territory – known as Carrier of Last Resort (COLR).

No customers are being disconnected. Our customers will continue to have access to 911 and emergency services. Our application at the CPUC is simply seeking an approved process to help consumers transition from outdated services to modern services.

The Need for Network Modernization

- In an ever-increasing online world, Californians need access to high-speed internet for bandwidth-rich activities like school, work, and entertainment.
- According to CDC, nationwide, more than 70% of adults and more than 80% of children live in households that exclusively use wireless phones for voice service.
- Fiber and wireless-based networks are faster, more reliable, use less energy and require less maintenance. Our fiber network is more resilient than our outdated copper network during natural disasters, when staying connected is essential.
- There's been a dramatic, and continuing, decline in the number of customers who subscribe to our traditional landline voice service over the last two decades.

Our Commitment to our California Customers

- ✓ We will continue to provide service to areas where we are the only provider, including in our rural communities.
- ✓ We will work to upgrade our customers with antiquated copper phone lines to better technologies, either from us or another provider.
- ✓ We will invest in our modern, high-speed networks to help keep our customers, first responders and communities in California connected.
- ✓ Our customers will continue to have access to 9-1-1.

CPUC's Approval Process

If the CPUC approves AT&T's applications as proposed:

- AT&T would continue providing traditional copper-based landline phone service to existing customers until all federal and state regulatory processes are completed.
- AT&T would still be required to provide telephone service in areas where no alternative voice services are yet available and continue to provide traditional landline phone service to our customers until proven alternatives become available.

Public Participation Process

The CPUC is hosting in-person and virtual public forums regarding AT&T's filings. During the hearings, stakeholders can provide public comments and speak with a CPUC Administrative Law Judge regarding this proceeding. To learn more, visit:

<http://cpuc.ca.gov/pph>.

Consumer Preferences for Voice Services

Only 2.7% of adults are landline-only in California.¹

**OLD
LANDLINE**



**MODERN
LANDLINE**



Consumer Demand?	DECLINING 89% DECLINE of California subscribers to old landline services. ²	SKYROCKETING More consumers use modern landlines than old ones.
Wired Phone?	YES	YES
Voice Service?	YES	YES
9-1-1?	YES	YES
Modern Capabilities?	NO Rotary dial-era	YES Internet era
Cost?	Can be expensive and costs are rising to maintain aging network and services.	Affordable and consumer costs are declining.
Backup Power?	Only with older phone with no power requirement. ³	Yes, with backup battery and/or uninterruptible power supply. ⁴
Reliability?	Susceptible to outages during storms, longer repair times.	High reliability, self-healing network, faster repair times.
The Future?	Consumers are abandoning.	Expanding options as customers migrate.

¹ CDC Wireless Substitution Report 2020 – State-Level.

² California AT&T subscribers from 2000 to 2021.

³ Backup power is only provided for traditional corded phones plugged into the wall – however most people have cordless phones that are susceptible to power outages unless the unit has backup power.

⁴ May be sold separately