

Annual Report

ANNUAL REPORT OF TELEPHONE CORPORATION
CUSTOMER, EMPLOYMENT, AND INVESTMENT
INFORMATION AS REQUIRED BY
PUBLIC UTILITIES CODE SECTION 914

January 2024

Communications Division



**California Public
Utilities Commission**

This document can be found online at:

<https://www.cpuc.ca.gov/about-cpuc/divisions/office-of-governmental-affairs/>

Contents

- EXECUTIVE SUMMARY 1
 - Background.....1
 - Key Findings.....1

- PUBLIC UTILITIES CODE SECTION 7912..... 2
 - Reporting Requirements2
 - Respondents for Calendar Year 2022.....2

- TELEPHONE CORPORATIONS REPORT INFORMATION FOR CALENDAR YEAR
2022 3
 - Customers in California3
 - Employees in California4
 - Capital Investments in California5
 - California Residents Employed by Independent Contractors5

- APPENDICES 6
 - Appendix A6

Executive Summary

Background

Public Utilities (Pub. Util.) Code Sections 914 and 7912 require that the California Public Utilities Commission (Commission) annually report specified information relating to customers, employment, and capital investment of regulated telephone corporations (companies) with more than 750 employees. This information is provided to the Assembly Committee on Communications and Conveyance and to the Senate Committee on Energy, Utilities and Communications.

This report covers the year 2022 for both wireline and wireless companies. The reporting wireline companies include AT&T California, and Frontier California. The reporting wireless companies include AT&T Mobility, Verizon Entities, and T-Mobile Entities. The 2022 data is the most current full-year data available at the time of this report.¹

Key Findings

Wireline Companies: For Calendar Year 2022, the total number of California wireline customers (based on reported lines) for the companies subject to the statute was approximately 2.08 million. The total number of California residents employed by wireline companies was approximately 9,608 in that year, and capital investments accounted for approximately \$15.3 billion. The wireline company that tracked contractor data reported approximately 760 contractors in total were California residents working in wireline operations.

Wireless Companies: For Calendar Year 2022, the total number of California wireless customers (based on reported lines) for the companies subject to the statute was approximately 46.2 million. The total number of California residents employed by wireless companies was approximately 15,738 in that year, and capital investments accounted for approximately \$4.8 billion. The wireless company that tracked contractor data reported approximately 140 contractors in total were California residents working in its wireless operations.

¹ The carrier data is reported on an aggregated basis, due to utility confidentiality claims regarding the underlying data. Specifically, all reporting utilities requested confidential treatment under Pub. Util. Code Section 583 and General Order 66-C as they consider the information to be proprietary, sensitive, and could place a utility at a competitive disadvantage.

Public Utilities Code Section 7912

Reporting Requirements

Public Utilities (Pub. Util.) Code Section 7912 requires telephone corporations employing more than 750 employees to annually report to the Commission specified information relating to customers, employment, and capital investment. In addition, Pub. Util. Code Section 914 requires that the Commission report the information provided by telephone corporations under Pub. Util. Code Section 7912 to the Assembly Committee on Communications and Conveyance and to the Senate Committee on Energy, Utilities and Communications.

The data required to be reported to the Commission are:

1. The number of customers served in California by the public utility;
2. The percentage of the public utility's total domestic customer base that resides in California;
3. The number of California residents employed by the public utility, calculated on a full-time or full-time equivalent basis;
4. The percentage of the public utility's total domestic workforce, calculated on a full-time or full-time equivalent basis, that resides in California;
5. The capital investment in the public utility's tangible and intangible plant which ordinarily have service life of more than one year, including plant used by the company or others in providing public utility services, in California during the yearly reporting period; and
6. The number of California residents employed by independent contractors and consultants hired by the public utility, calculated on a full-time or full-time equivalent basis.

Respondents for Calendar Year 2022

The following five telephone corporations with more than 750 full-time employees in California reported employment data for calendar year 2022 as required by the statutes.

1. AT&T California (U-1001-C)
2. AT&T Mobility (U-3021-C)
3. Frontier California, Inc. (U-1002-C)
4. T-Mobile Entities²
5. Verizon Wireless Entities³

² The T-Mobile entities operating in California are T-Mobile West, LLC (U-3056-C), Metro PCS California, LLC (U-3079-C), Sprint Wireless (U-3062-C), and Assurance Wireless USA dba Virgin Mobile (U-4327-C).

³ The Verizon Wireless operating entities in California are AirTouch Cellular, Inc. (U-3011-C), Alltel Corporation (U-3025-C), California RSA No. 4 Limited Partnership (U-3038-C), Celco Partnership (U-3001-C), Fresno MSA Limited Partnership (U-3005-C), GTE Mobilnet of California Limited Partnership (U-3002-C), Los Angeles SMSA Limited Partnership (U-3003-C), Pinnacles Cellular, Inc. (U-3028-C), Redding MSA Limited Partnership (U-3091-C), Sacramento-Valley Limited Partnership (U-3004-C), Visible Service LLC (U-4516-C), and Tracfone (U-4231-C).

Telephone Corporations Report Information for Calendar Year 2022

Customers in California

Telephone corporations with over 750 total employees reported the following number of customers in California that they serve.

Table 1: Aggregate Data for California Customers of Reporting Telephone Corporations (reported based on Lines)

<i>Report Year</i>	<i>Wireline CA Customers</i>	<i>% of total Wireline US domestic customer base that resides in California</i>	<i>Wireless CA Customers</i>	<i>% of total Wireless US domestic customer base that resides in California</i>
2021	2,404,335 ⁴	27.60% ⁵	40,643,129	12.32%
2022	2,078,828	26.50% ⁶	46,172,907	12.69%
change	-325,507 (-14%)	-1.09%	5,529,778 (14%)	0.37%

Wireline: The data show that the wireline companies reported a decrease in the number of wireline customers by approximately 14% between 2021 and 2022. This reduction illustrates a continued downward trend of wireline customers dropping service and opting for other communications technologies. However, there was a decrease of 1% in the percentage in their wireline domestic customer base that resides in California.

Wireless:⁷ The data show the wireless companies reported an approximately 14% increase in the number of wireless customers between 2021 and 2022, while the change in the percentage of the total wireless domestic customer base that resides in California increased slightly by approximately 0.37%.

Customer Type Comparison in California: In 2022, the percentage lost in wireline customers is the same percentage gained for wireless customers. Additionally, the wireless companies reported 22 times more customers in California than wireline companies. This gap has increased from the 2021 levels, in which the wireless companies had approximately 17 times more customers than wireline companies.

⁴ In the November 2022 published annual report, the CY 2021 wireline CA customer data reported inadvertently included a combination of customer counts and line counts. For this report, customer data are based on reported lines by the reporting companies.

⁵ In 2021, the wireline companies reported a total of 8,711,999 domestic customers (based on reported Lines).

⁶ In 2022, the wireline companies reported a total of 7,843,052 domestic customers (based on reported Lines).

⁷ Reporting entities did not consistently provide the same metric to identify customer numbers. Therefore, an approximation was used to derive the aggregated total.

Employees in California

Telephone corporations with over 750 total employees reported the number of California residents they employ as well as the percentage of the utility’s total domestic workforce.

Table 2. Aggregated Data for California Employees of Reporting Telephone Corporations

<i>Report Year</i>	<i>Wireline CA Employees</i>	<i>% of total Wireline US domestic workforce that resides in California</i>	<i>Wireless CA Employees</i>	<i>% of total Wireless US domestic workforce that resides in California</i>
2021	10,536	42.60% ⁸	14,852	9.24%
2022	9,608	42.39% ⁹	15,738	10.41%
change	-928 (-8.81%)	-0.20%	886 (5.97%)	1.17%

Wireline: The total number of Californians employed by wireline companies in 2022 decreased by nearly 9% as compared to 2021, while the percentage of wireline California employees in the carriers’ total domestic workforce slightly decreased by 0.20% in the same time span.

Wireless: The total number of Californians employed by wireless companies in 2022 increased by approximately 6% as compared to 2021, while the percentage of wireless California employees in the carriers’ total domestic workforce increased by approximately 1%.

Unlike the wireline companies, which are largely California-based and California-centric in their operations, the wireless companies have a larger national presence. Therefore, the California-based and California-centric wireline companies will tend to have a higher proportion of California-based workers than the national wireless companies.¹⁰

⁸ In 2021, the wireline companies reported a total of 24,735 domestic employees.

⁹ In 2022, the wireline companies reported a total of 22,664 domestic employees.

¹⁰ For example, for the wireline companies, the percentage of full-time workforce residing in California for each individual company ranged between 12% and 99% in 2022, whereas the wireless companies ranged between 7% and 12% in 2022.

Capital Investments in California

Telephone corporations with more than 750 total employees reported their capital investments in California for 2022. The Pub. Util. Code defines capital investment as: “the capital investment in the public utility’s tangible and intangible plant which ordinarily have a service life of more than one year, including plant used by the company or others in providing public utility services, in California during the yearly period.”

<i>Report Year</i>	<i>Wireline Capital Investments</i>	<i>Wireless Capital Investments</i>
2021	\$14,476,443,370	\$4,526,307,269
2022	\$15,286,626,380	\$4,782,478,753
change	\$810,183,010 (5.60%)	\$256,171,484 (5.66%)

Wireline: The total capital investments by wireline companies slightly increased in 2022 compared to 2021 approximately 6%. The wireline companies reported an aggregate total of approximately \$15.3 billion capital investments in 2022.

Wireless: The total capital investments by wireless companies also increased in 2022 compared to 2021 by approximately 6%. The wireless companies reported an aggregate total of approximately \$4.8 billion capital investments in 2022.

California Residents Employed by Independent Contractors

Telephone corporations with more than 750 total employees reported the number of California residents employed by independent contractors and consultants hired by the public utility, calculated on a full-time or full-time equivalent basis.

In general, the wireline and wireless companies reported that they did not track the number of California residents employed by independent contractors who directly provide services to the public utility. Thus, the Commission cannot provide a complete profile at this time. However, the two companies that did track the data indicated an approximate aggregate total amount of 900 contractors who were California residents working directly to provide telecommunications services.¹¹ The 2022 data on contractors is more than double the amount reported in 2021.¹²

¹¹ The wireline company reported 760 contractors and the wireless company reported 140 contractors for a total of 900.

¹² In 2021, the total reported for by wireline and wireless companies was 346.

Appendices

Appendix A

PUBLIC UTILITIES CODE

DIVISION 1. REGULATION OF PUBLIC UTILITIES [201 - 3260]

(Division 1 enacted by Stats. 1951, Ch. 764.)

CHAPTER 4. REGULATION OF PUBLIC UTILITIES [701 - 920]

(Chapter 4 enacted by Stats. 1951, Ch. 764.)

914. The commission shall annually report the information required to be reported by public utilities pursuant to Section 7912, to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications, or their successor committees, and within a reasonable time thereafter, shall make the information available to the public on its Internet Web site.

(Added by Stats. 2015, Ch. 612, Sec. 41. (SB 697) Effective January 1, 2016.)

DIVISION 4. LAWS RELATING TO UTILITY CORPORATIONS AND THEIR EMPLOYEES [7503 - 8286]

(Division 4 enacted by Stats. 1951, Ch. 764.)

CHAPTER 3. Telegraph or Telephone Corporations [7901 - 7912]

(Chapter 3 enacted by Stats. 1951, Ch. 764.)

7912. A public utility employing more than 750 total employees shall annually report to the commission all of the following:

- (a) The number of customers served in California by the public utility.
- (b) The percentage of the public utility's total domestic customer base that resides in California.
- (c) The number of California residents employed by the public utility, calculated on a full-time or full-time equivalent basis.
- (d) The percentage of the public utility's total domestic workforce, calculated on a full-time or full-time equivalent basis, that resides in California.
- (e) The capital investment in the public utility's tangible and intangible plant which ordinarily have a service life of more than one year, including plant used by the company or others in providing public utility services, in California during the yearly reporting period.
- (f) The number of California residents employed by independent contractors and consultants hired by the public utility, calculated on a full-time or full-time equivalent basis, when the public utility has obtained this information upon requesting it from the independent contractor or consultant, and the public utility is not contractually prohibited from disclosing the information to the public. This subdivision is inapplicable to contractors and consultants that are a public utility subject to the reporting requirements of this section. This paragraph applies only to those employees of an independent contractor or consultant that are personally providing services to the public utility and does not apply to employees of an independent contractor or consultant not personally performing services for the public utility.

(Amended by Stats. 2015, Ch. 612, Sec. 69. (SB 697) Effective January 1, 2016.)