

Annual Report

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

November 2022

Communications Division



**California Public
Utilities Commission**

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Executive Summary

Background

Public Utilities (P.U.) 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 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 2021 for both wireline and wireless companies. The reporting wireline companies include AT&T California, Frontier California, and Sprint.¹ The reporting wireless companies include AT&T Mobility, Verizon Wireless, and T-Mobile. The 2021 data is the most current full-year data available at the time of this report.²

Key Findings

Wireline Companies: For Calendar Year 2021, the total number of California wireline customers for the companies subject to the statute was approximately 1.3 million. The total number of California residents employed by wireline companies was approximately 10,536 in that year, and capital investments accounted for approximately \$14.5 billion. The wireline company that tracked contractor data reported approximately 193 contractors in total were California residents working in wireline operations.

Wireless Companies: For Calendar Year 2021, the total number of California wireless customers for the companies subject to the statute was approximately 40.6 million. The total number of California residents employed by wireless companies was approximately 14,852 in that year, and capital investments accounted for approximately \$4.5 billion. The wireless company that tracked contractor data reported approximately 153 contractors in total were California residents working in its wireless operations.

¹ The Commission approved the Transfer of Control of Sprint Communications Company, LP (U-5211-C) and certain Sprint wireless entities to T-Mobile in Decision 20-04-008. See footnote 3 (pg. 2) for a list of the T-Mobile entities operating in California.

² 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 P.U. 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 (P.U.) 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, P.U. Code Section 914 requires that the Commission report the information provided by telephone corporations under P.U. 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 2021

The following five telephone corporations with more than 750 full-time employees in California reported employment data for calendar year 2021 as required by the aforementioned statutes.

1. AT&T California
2. AT&T Mobility
3. Frontier California, Inc.
4. T-Mobile Entities³
5. Verizon Wireless Entities⁴

³ The T-Mobile entities operating in California are: Sprint Communications Company (U-5112-C), T-Mobile West, LLC (U-3056-C), Metro PCS California, LLC (U-3079-C), Sprint Wireless (U-3062-C), Assurance Wireless USA dba Virgin Mobile (U-4327-C)

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

Telephone Corporations Report Information for Calendar Year 2021

Customers in California

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

<i>Report Year</i>	<i>Wireline CA Customers</i>	<i>% of total <u>Wireline</u> US domestic customer base that resides in California</i>	<i>Wireless CA Customers</i>	<i>% of total <u>Wireless</u> US domestic customer base that resides in California</i>
2020	1,448,520	26.3%	36,928,938	14.0%
2021	1,257,827	26.9% ⁵	40,643,129	12.3%
change	-190,693 (-13.2%)	0.6%	3,714,191 (10.1%)	-1.7%

Wireline: The data show that the wireline companies reported a decrease in the number of wireline customers by approximately 13.2% between 2020 and 2021. This reduction illustrates a continued downward trend of wireline customers dropping service and opting for other communications technologies. However, the change in the percentage their wireline domestic customer base that resides in California was fairly flat, increasing slightly by approximately 0.6% between 2020 and 2021.

Wireless:⁶ The data show the wireless companies reported an approximately 10.1% increase in the number of wireless customers between 2020 and 2021, while the change in the percentage of the total wireless domestic customer base that resides in California decreased by approximately 1.7%.

Customer Comparison in California: In 2021, wireless companies reported thirty-two times more customers in California than wireline companies. This gap has increased from the 2020 levels, in which the wireless companies had twenty-five times more customers than wireline companies.

⁵ The wireline companies reported a total of 4,668,188 domestic customers.

⁶ 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>
2020	10,394	41.3%	15,729	9.5%
2021	10,536	42.6% ⁷	14,852	9.2%
change	142 (1.4%)	1.3%	-877 (-5.6%)	-0.3%

Wireline: The total number of Californians employed by wireline companies in 2021 increased by approximately 1.4% as compared to 2020, while the percentage of wireline California employees in the carriers’ total domestic workforce increased by about 1.3% in the same time span.

Wireless: The total number of Californians employed by wireless companies in 2021 decreased by approximately 5.6% as compared to 2020, while the percentage of wireless California employees in the carriers’ total domestic workforce decreased by approximately 0.3%.

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.⁸

⁷ The wireline companies reported a total of 24,735 domestic employees.

⁸ For example, for the wireline companies, the percentage of full-time workforce residing in California for each individual company ranged between 10% and 99% in 2021, whereas the wireless companies ranged between 7% and 12% in 2021.

Capital Investments in California

Telephone corporations with more than 750 total employees reported their capital investments in California for 2021. The P.U. 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.”

Table 3. Aggregated Data for Capital Investments of Reporting Telephone Corporations

<i>Report Year</i>	<i>Wireline Capital Investments</i>	<i>Wireless Capital Investments</i>
2020	\$14,100,543,257	\$3,898,688,802
2021	\$14,476,443,370	\$4,526,307,269
change	\$375,900,113 (2.7%)	\$627,618,467 (16.1%)

Wireline: The total capital investments by wireline companies increased in 2021 compared to 2020 approximately 2.7%. The wireline companies reported an aggregate total of approximately \$14.5 billion capital investments in 2021.

Wireless: The total capital investments by wireless companies increased in 2021 compared to 2020 by approximately 16.1%. The wireless companies reported an aggregate total of approximately \$4.5 billion capital investments in 2021.

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 346 contractors who were California residents working directly to provide telecommunications services⁹.

⁹ The wireline company reported 193 contractors and the wireless company reported 153 contractors for a total of 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.)