

AT&T:
Abandoning Rural & Other
Communities in Michigan





AT&T is abandoning rural Michigan and many urban and suburban communities in the state.

AT&T has a statutory obligation to ensure quality service for basic local exchange service in the state.¹ Yet through systemic disrepair of its traditional landline network, many Michigan customers can no longer rely on AT&T to meet its statutory obligation to provide reliable telecommunications service.

In Michigan, AT&T has focused its resources on building its all-fiber network to select neighborhoods in the Detroit, Grand Rapids, and Ann Arbor metro areas.² It is also upgrading its wireless network. CWA supports these investments. However, AT&T’s all-fiber deployment is limited to 12 million customer locations nationwide, representing less than one-quarter of the estimated 55 million customer locations in its 21-state wireline footprint.³ Every Michigan community needs access to quality wireline and wireless networks, including competitive choice among broadband providers.

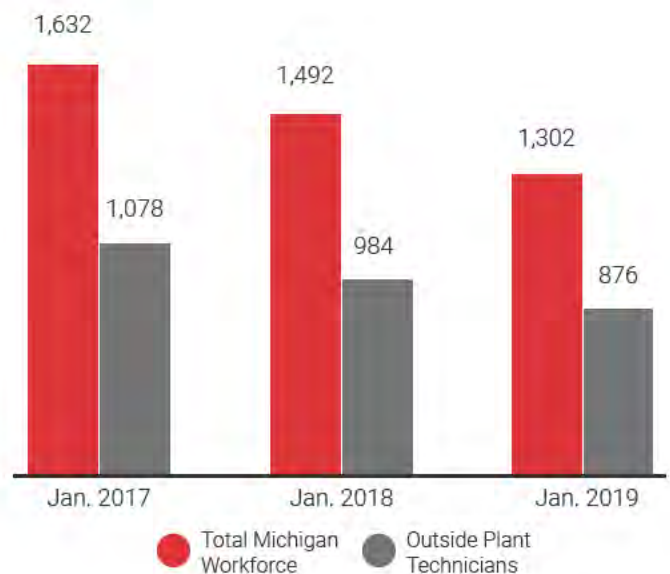
In many communities, AT&T voice service is a lifeline for customers. Wireless service is spotty and more expensive than wireline. Wireless service also depends on well-maintained wireline networks. In many suburban and urban neighborhoods in Michigan, AT&T has not upgraded its traditional copper network to fiber. Slow DSL does not provide the Internet capacity families and businesses need to access

today’s data-intensive online video services. And without competitive choice for high-speed Internet, monopoly cable charges high prices and delivers poor customer service.

This report documents the network problems that lead to service problems for customers and public safety hazards. Quality service depends on adequate staffing of trained, career employees. But over the last two years, AT&T has cut its Michigan workforce.

- Between Jan. 2017 and Jan. 2019, AT&T reduced its outside plant technicians in Michigan by 26 percent, dropping from 2,304 technicians to just 1,704.
- Over the last two years, AT&T reduced its total Michigan wireline workforce – outside technicians, inside technicians, call center workers, and administrative staff – by 26 percent, from 4,157 to 3,067 workers across the state.
- AT&T reduced its Michigan call center workforce by 46 percent in the last two years.

In the Last Two Years, AT&T Cut its Michigan Workforce by 26%



AT&T has cut its workforce across the Midwest. Between Jan. 2017 and Jan. 2019, AT&T reduced its outside plant technicians across Ohio, Michigan, Wisconsin, Indiana, and Illinois by 23 percent, dropping from 6,519 technicians to just 5,037. AT&T reduced its total Midwest wireline workforce by 23 percent, from 10,651 to 8,165 workers.

AT&T's network in rural and many urban and suburban communities is in disrepair. In Michigan and communities across the Midwest, copper cable, for many the only source of landline phone and Internet, is significantly damaged. The result is poor quality service and recurring service problems. But AT&T is not replacing damaged cable, opting instead for temporary fixes that treat the symptom but not the disease. For example, when it rains water can get into a damaged cable and cause static on the phone line or an outage. By the time AT&T sends an outside plant technician to address the customer complaint, often the cable has dried and service is restored. The same issue will happen the next time it rains. Rather than replacing the cable, which is labor-intensive and time-consuming, AT&T instructs its employees to fix problems quickly with temporary solutions and move on to the next project. The public see this in the black and orange plastic bags littering AT&T's plant. These bags are designed to provide a short-term solution to damaged cable and equipment. Too often, the issues never get a permanent fix. The plastic bags deteriorate, leaving wires exposed and causing further deterioration, leading to service problems for customers.

CWA, as part of its on-going obligation to its members, conducted an investigation at AT&T facilities serviced by CWA members. The investigation focused on the condition of outside plant (readily observable from public streets and sidewalks) in rural and suburban areas of Michigan. In the course of its investigation, CWA uncovered numerous instances of facilities throughout Michigan in a dangerous state of disrepair that pose service and safety hazards. CWA has documented some of the most blatant effects of these



practices and policies through photographs of AT&T facilities in plain sight from public areas throughout AT&T's service area.

Michigan severely reduced public oversight of the telecommunications industry with the passage of House Bill 4314 in 2011.⁴ Deregulation proponents argued that competition could replace regulatory protections that held AT&T accountable for the quality of its service and, by extension, the condition of its network. But as the evidence in this report indicates, eliminating public oversight and relying solely on competition has failed to ensure that that AT&T meets its statutory obligation to provide quality service to everyone in Michigan.

The AT&T network disrepair is a sign of deferred maintenance and insufficient investment. As the photos indicate, and a survey of CWA members confirms, AT&T has been inattentive to poor plant conditions and has not been investing the necessary resources to properly maintain its copper network, which is often the only means of modern communication for rural, elderly, and other consumers. This systemic disrepair results in poor quality and repeat service complaints, such as when there is static on a phone line when it rains due to damaged cable. In many instances, it also leads to conditions that pose a safety risk, like animals nesting in damaged terminals, exposed wires, or damaged telephone poles.

In the course of representing its members, CWA convened a roundtable of outside plant technicians from across the Midwest to learn about systemic problems at AT&T. AT&T's garages, the members say, are not stocking the necessary equipment to maintain the rural plant. These workers discussed AT&T's rigid project timekeeping system that prevents them from taking the time necessary to do a thorough repair of damaged cable or equipment. For example, if a serious problem takes more than a few hours to fix, managers encourage the workers to find a temporary solution or risk facing disciplinary action. The result is insufficient fixes, like brittle plastic bags placed over splice boxes, leading to further plant deterioration and future issues.

Most important, CWA members explained that they want to do their jobs to provide good service – but they need the equipment, time, and adequate staffing to do so.

AT&T's failure to invest in its landline network in Michigan and elsewhere is particularly egregious in light of the \$21 billion tax windfall that AT&T received from the federal *Tax Cut and Jobs Act* of 2017. During the debate over the legislation, AT&T CEO Randall Stephenson promised to use tax cuts to increase capital investment and create thousands of new jobs. AT&T got its tax cut – estimated at \$3 billion in 2018 alone – but slashed its capital investment the same year by \$1.4 billion. Since 2017, AT&T has cut more than 23,000 jobs.⁵

AT&T must invest in its network in rural and many urban and suburban areas to provide quality service to its customers in Michigan.

On the following pages are photos and descriptions documenting the systemic disrepair of AT&T's Michigan network.

AT&T Copper Plant Photos – Michigan

1. This photo from Dewey Street, Flint, MI, shows a damaged cross-connect box. The box's protective case is damaged and its doors held partially closed with rope. Internal wires are exposed to weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



2. This photo from East Main Street, Flushing, MI, shows a damaged pedestal. Its protective cover is damaged, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



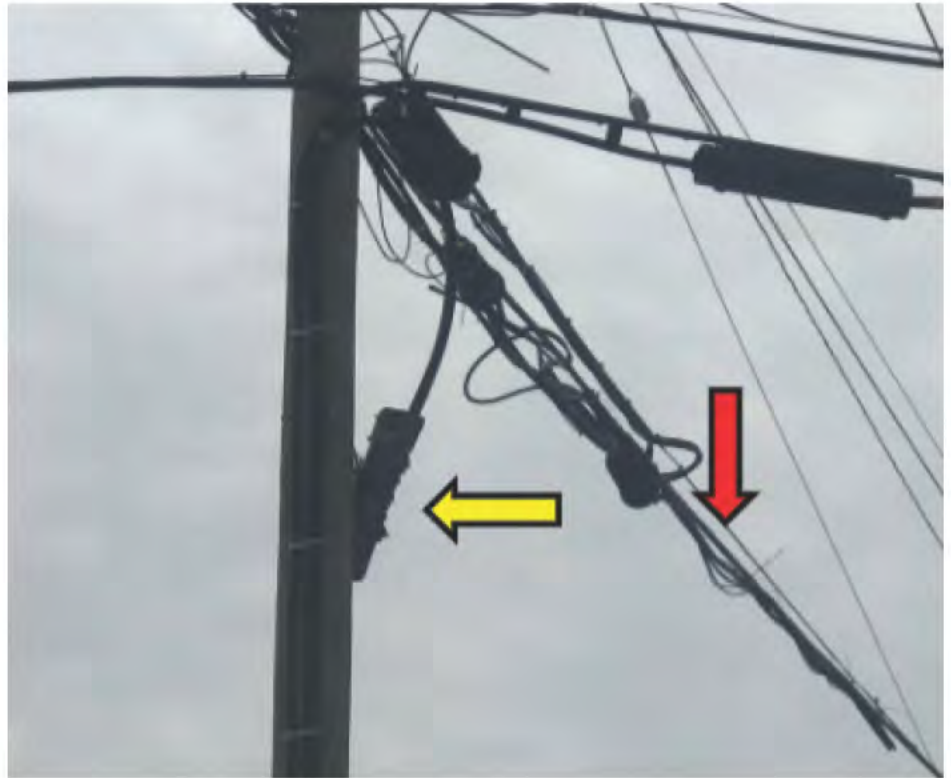
3. This photo from South Main Street, Lapeer, MI, shows a damaged cross-connect box. Instead of replacing the box, AT&T covered it with a black plastic cover. This cover will fall off or deteriorate, leaving wires exposed to weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



4. This photo from North Center Drive, Grand Rapids, MI, shows a damaged cross-connect box. The box's protective case is damaged and its doors left open. Internal wires are exposed to weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



5. This photo from South Lapeer Road, Oxford, MI, shows an unsecured splice terminal and damaged cable. The terminal should be secured to cable, not left hanging (yellow arrow). And cable should be secured to the utility pole (yellow arrow). In addition, AT&T used drop wires (red arrow) to bypass sections of bad cable.



6. This photo from South Belsay Road, Burton, MI, shows a damaged pedestal. Its protective cover is damaged, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



7. This photo from Alpine Avenue, Grand Rapids, MI, shows a severely damaged pedestal. Its protective cover is missing, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, exposed wires are a public safety hazard.



8. This photo from Elms Road, Flint, MI, shows a severely damaged splice terminal. The terminal's protective case is hanging open, and the black plastic covering meant to protect wires has deteriorated, leaving wires exposed to weather and animals. Damaged wires cause service outages.



9. This photo from Alpine Avenue, Grand Rapids, MI, shows a severely damaged pedestal. Its protective cover is missing, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, exposed wires are a public safety hazard.



10. This photo from Seymour Road, Flint, MI, shows a rotting pole. AT&T's equipment is the only equipment that remains. AT&T has not moved its facilities to a new utility pole. As a result, AT&T's equipment remains connected to an old, deteriorating pole, causing potential service and safety concerns.



11. This photo from Dixie Highway, Waterford, MI, shows a damaged terminal. The terminal's protective case is missing, leaving wires exposed to weather and animals. Damaged wires cause service outages.



12. This photo from Miller Road, Flint, MI, shows a severely damaged pedestal. Its protective cover is missing, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, exposed wires are a public safety hazard.



13. This photo from Seymour Road, Flushing, MI, shows a cable supported by a tree. Cables should be secured to utility poles, not resting on a tree. The wind blows the unsecured service cable, damaging the copper wire and causing service issues or causing it to fall.



14. This photo from Dixie Highway, Frankenmuth, MI, shows a damaged pedestal. Its protective cover is open, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, exposed wires are a public safety hazard.



15. This photo from Dixie Highway, Clarkston, MI, shows an unsecured load pot hanging from a cable. Load pots weigh hundreds of pounds and should be secured to the pole. This load pot appears to be supported by a rope (yellow arrow). An unsecured load pot is a safety risk and will result in service issues.



16. This photo from Dixie Highway, Birch Run, MI, shows a severely damaged pedestal. Its protective cover is missing, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, exposed wires are a public safety hazard.



17. This photo from Jennings Road, Fenton, MI, shows a damaged terminal. Instead of replacing the terminal, AT&T covered it with a black plastic cover. This cover is falling off and will deteriorate, leaving wires exposed to weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



18. This photo from West 13 Mile, Southfield, MI, shows a deteriorated pole and damaged cable. Rather than replacing the cable, AT&T cut a black plastic bag to cover it. This cover will fall off, leaving wires exposed to weather and animals. Damaged wires cause service outages.



19. This photo from South Ballenger Highway, Flint, MI, shows a severely damaged pedestal. Its protective cover is missing, leaving wires exposed to damage from weather and animals. Damaged wires cause service outages. In addition, exposed wires are a public safety hazard.



20. This photo from Byron Road, Byron, MI, shows a damaged, leaning utility pole. The old pole is significantly damaged and leaning, putting strain on AT&T's cables and equipment, which remain attached. Despite the state of this utility pole, AT&T has not moved its facilities to a new pole. As a result, AT&T's equipment remains connected to an old, damaged pole, causing potential service and safety concerns.



21. This photo from Linden Road, Flint, MI, shows a damaged pedestal. Its protective cover is missing, leaving wires exposed to weather and animals. Damaged wires cause service outages. In addition, the exposed wires are a public safety hazard.



Endnotes

1. § 484.2202(c)(i)
2. According to AT&T, it is also building fiber in the following Michigan locations: Macomb, Clinton, St. Clair Shores, Berkley, Royal Oak, Huntington Woods, Novi, Lyon, Pittsfield Charter Township, Canton, Roseville, Warren, and Ferndale. A full list of AT&T's fiber cities is available at <https://www.att.com/shop/internet/gigapower/coverage-map.html> (last accessed May 24, 2019).
3. For all-fiber customer locations, see AT&T Q1 2019 Earnings Report, p. 47: <https://otp.tools.investis.com/clients/us/atnt2/sec/sec-show.aspx?FilingId=13407259&Cik=0000732717&Type=PDF&hasPdf=1>
4. The language of the adopted bill is available at: <https://www.legislature.mi.gov/documents/2011-2012/publicact/pdf/2011-PA-0058.pdf>. For more information on the scale of deregulation of the telecommunications industry in Michigan, see: Sherry Lichtenberg, PhD, "The Year in Review: The Status of Telecommunications Deregulation in 2012," National Regulatory Research Institute (June 2012). Available at: <https://prodnet.www.neca.org/publicationsdocs/wwpdf/61912nrri.pdf>
5. Communications Workers of America, "AT&T Jobs Report Update" (May 2019). Available at: <https://cwa-union.org/sites/default/files/20190508-cwa-att-jobs-report-update.pdf>

CWA