

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
)  
Section 63.71 Application of ) DA 25-101  
)  
AT&T Services, Inc., on behalf of its affiliates ) WC Docket No 25-45  
BellSouth Telecommunications, LLC, d/b/a )  
AT&T Alabama, AT&T Florida, AT&T Georgia, ) WC Docket No. 25-46  
AT&T Kentucky, AT&T Louisiana, AT&T North )  
Carolina, AT&T South Carolina, and AT&T ) WC Docket No. 25-47  
Tennessee; Illinois Bell Telephone, LLC, d/b/a )  
AT&T Illinois; Indiana Bell Telephone Company, )  
LLC, d/b/a AT&T Indiana; Michigan Bell )  
Telephone Company, LLC, d/b/a AT&T )  
Michigan; The Ohio Bell Telephone Company, )  
LLC, d/b/a AT&T Ohio; Southwestern Bell )  
Telephone Company, LLC, d/b/a AT&T Arkansas, )  
AT&T Missouri, AT&T Oklahoma, and AT&T )  
Texas; and Wisconsin Bell, LLC, d/b/a AT&T )  
Wisconsin. )  
)  
Authority Pursuant to Section 214 of )  
The Communications Act of 1934, As Amended, )  
To Grandfather the Provision of Service )

**COMMENTS OF  
COMMUNICATIONS WORKERS OF AMERICA**

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February 19, 2025

## **COMMENTS OF COMMUNICATIONS WORKERS OF AMERICA**

The Communications Workers of America (“CWA”) submits these comments in response to the applications for Section 214 grandfathering and discontinuance by AT&T Services, Inc. filed in the above captioned proceedings.<sup>1</sup> CWA represents workers in telecommunications, media, technology, public service, manufacturing, airlines, video games, and other fields, including tens of thousands of workers at AT&T.

### **I. INTRODUCTION**

If the Commission approves AT&T’s applications, the company will be free to exit 250,000 square miles of territory, or fifty percent of its historic footprint, while committing to deploy fiber-optic broadband to only some of the remaining areas.<sup>2</sup> AT&T justifies this transition based on shifts in technology, but its decision to withdraw from such a large portion of its service area will harm communities and undercut the promise of universal service. Instead of allowing the largest telecommunications provider in the country to abandon such a large swath of territory, the Commission should chart a more measured approach that ensures the availability of wireline service for all households. The company could be part of this solution if it reallocated some of its \$40 billion in planned dividends and stock buybacks over the next three years to instead support the mission of universal service.

### **II. THE DISCONTINUANCE OF SERVICES OVER AT&T’S COPPER NETWORK WILL HARM COMMUNITIES, LEAVING THEM WITH LIMITED AND INFERIOR OPTIONS**

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<sup>1</sup> Comments Invited on Section 214 Application(S) to Grandfather Domestic Non-Dominant Carrier Telecommunications and/or Interconnected VoIP Services, WC Docket No(s). 25-45, 25-46, and 25-47 (Released February 4, 2025).

<sup>2</sup> AT&T, Investor Day Presentation, slides 54-56 (December 3, 2024), <https://investors.att.com/~media/Files/A/ATT-IR-V2/reports-and-presentations/2024-analyst-day-with-notes.pdf>.

As technicians and support representatives who interact with customers daily, CWA members understand the need to upgrade legacy networks so that all households and businesses can benefit from fiber-to-the-premises (FTTP), the most resilient, scalable broadband technology available. Unfortunately, instead of replacing copper lines with fiber-optic cable, AT&T intends to dump customers in more than half of its territory off its landlines and leave many of them with only wireless or satellite options.

While AT&T has led its peers in creating an innovative product called AT&T Phone Advanced that incorporates important safety functions of traditional landlines, this customer premises equipment cannot bridge the deficits inherent in lower quality connectivity from wireless or satellite.

Fiber is sustainable, scalable, and renewable. It offers greater capacity, predictable performance, lower maintenance costs, and a longer technological lifetime than coaxial cable, satellite, and fixed wireless technologies. An engineering analysis of fixed wireless technologies by consulting firm CTC Technology and Energy concludes that “fiber represents the most fiscally prudent expenditure of public funds in most circumstances because of its longevity and technical advantages.”<sup>3</sup> CTC’s cost analysis of fiber and fixed wireless deployments finds that while fiber’s upfront capital costs are higher than those of fixed wireless in many circumstances, the total cost of ownership over 30 years is comparable for fiber and fixed wireless, and fiber provides much higher quality service. According to CTC:

Fixed wireless technologies will continue to improve but will not match the performance of fiber optic networks—primarily because the existing and potential bandwidth of fiber is thousands of times higher than wireless, but also because fixed wireless networks have inherent capacity limitations that sharply limit the number of users on a network using a given amount of spectrum.

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<sup>3</sup> CTC Technology, “Fixed Wireless Technologies and Their Suitability for Broadband Delivery”, 49-51 (June 2022), <https://www.benton.org/sites/default/files/FixedWireless.pdf>.

Similarly, low-earth-orbit satellite service has limited bandwidth – as more users connect to a given satellite network, speeds drop, making large-scale adoption impractical.<sup>4</sup> Satellite also has inconsistent speeds and inadequate upload speeds to meet the current definition of broadband.<sup>5</sup> Starlink satellites have a short lifespan of approximately five years, requiring continuous spending on launches, maintenance, and user equipment upgrades just to keep the current service running.<sup>6</sup>

While AT&T seeks to pivot to a “wireless first” approach for half of its footprint, states and counties across the country have instead recognized that fiber-optic broadband is the best option for rural locations. For example, the state of Maine is committed to using its funds from the Infrastructure Act’s Broadband Equity Access Deployment (BEAD) program to deploy fiber to all of the state’s 28,800 unserved and underserved locations, and the state of Louisiana selected a fiber option for more than 95 percent of its BEAD-eligible locations.<sup>7</sup> Similarly, most counties using ARPA funds for broadband deployment insisted on FTTP for their residents.<sup>8</sup>

When Lumen Technologies sought to retire its copper network serving Little Gasparilla Island off the coast of Florida in 2021, CWA and public interest advocates protested the lack of a landline option, and the company withdrew its application.<sup>9</sup> CWA has consistently advocated for

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<sup>4</sup> Newsweek, “Satellite May Sound Like the Future, But it Could Stick Broadband Users in the Past” (September 6, 2023), [www.newsweek.com/satellite-may-sound-like-future-it-could-stick-broadband-users-past-1824701](https://www.newsweek.com/satellite-may-sound-like-future-it-could-stick-broadband-users-past-1824701).

<sup>5</sup> Starlink reports average upload speeds of 5 to 20 Mbps, below what is necessary for modern broadband applications, <https://www.starlink.com/legal/documents/DOC-1400-28829-70> (last accessed February 16, 2025).

<sup>6</sup> Space Magazine, Starlink satellites: Facts, tracking and impact on astronomy (January 30, 2025), <https://www.space.com/spacex-starlink-satellites.html>.

<sup>7</sup> Maine Connectivity Authority, “Maine’s Starlink Program Open for Applications,” (December 11, 2024), <https://www.mainecconnectivity.org/news/maine-s-starlink-program-open-for-applications>; State of Louisiana, BEAD Final Proposal, <https://connect.la.gov/media/fl4ma1mg/louisiana-final-proposal-approved-01-09-2025.pdf?ref=broadbandbreakfast.com>.

<sup>8</sup> CWA, “ARPA Broadband Report Card,” <https://cwa-union.org/news/cwa-releases-broadband-report-card> (July 2024); Fierce Network, Brightspeed gets greenlight on \$8M Texas fiber build (November 13, 2023), <https://www.fierce-network.com/broadband/brightspeed-gets-greenlight-8m-texas-fiber-build>.

<sup>9</sup> Public Knowledge, Reply Comments in FCC WC Docket No. 21-350 (February 2, 2022), [https://publicknowledge.org/wp-content/uploads/2022/02/PK\\_Lumen-Apollo\\_Reply-Comment\\_02.02.22-1.pdf](https://publicknowledge.org/wp-content/uploads/2022/02/PK_Lumen-Apollo_Reply-Comment_02.02.22-1.pdf).

stronger consumer protections in the transition from switched networks to internet protocol (IP), alongside a broad coalition of consumer advocates.<sup>10</sup> If AT&T is allowed to set a new precedent at the scale proposed in the instant applications, the promise of a fair IP transition will be undermined.

### **III. AT&T'S ABANDONMENT OF RURAL AMERICA LEAVES THE GOVERNMENT TO SHOULDER THE BURDEN OF PROVIDING AFFORDABLE SERVICE TO ALL RESIDENTS**

The Communications Act of 1934 states that all people in the United States shall have access to rapid, efficient, nationwide communications service with adequate facilities at reasonable charges.<sup>11</sup> As technology has changed, Congress has failed to update the regulatory framework governing universal access, such that AT&T and other incumbent local exchange carriers (ILECs) are theoretically still required to provide voice service to every location in the country, yet broadband is unregulated, and broadband providers can generally choose their own service area.<sup>12</sup> The 1996 Telecommunications Act updated the vision of universal service to include access to advanced communications, such as high-speed internet, but lacked meaningful enforcement mechanisms.<sup>13</sup> Instead of mandating that ILECs provide broadband service, the current framework offers subsidies through the Universal Service Fund (USF) to rural carriers that promise to serve everyone in their service area.<sup>14</sup> AT&T previously served many rural areas, but in recent years, the company has sought to avoid universal service requirements by spurning

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<sup>10</sup> See for example, public interest coalition letter filed in WC Docket No. 17-84, Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, (November 9, 2017), <https://www.cwa-union.org/sites/default/files/20171109-joint-wireline-broadband-letter.pdf>.

<sup>11</sup> 47 U.S.C. 151.

<sup>12</sup> Cities and states established a shadow regulatory regime to provide access to cable TV through franchise agreements that require service be provided to every household within particular jurisdictions, but these agreements do not generally cover rural and unincorporated areas.

<sup>13</sup> FCC, Universal Service home page, <http://fcc.gov/general/universal-service>.

<sup>14</sup> USAC, High Cost program overview, <https://www.usac.org/high-cost/program-overview/>.

USF subsidies and allowing its rural network to deteriorate, focusing on deploying fiber in densely populated areas that can yield a high profit margin.

The industry-driven deregulation of communications services leaves us today in a situation where the USF is unsustainable (due to a shrinking base of regulated revenues that fund it through a surcharge), and so the federal government has been forced to step in with an unprecedented \$67 billion in appropriations to fund broadband deployment.<sup>15</sup> While AT&T has pursued these funds, it is selective in which areas it bids in order to continue meeting profit targets set by investors and executives.

#### **IV. AT&T HAS PRIORITIZED THE ENRICHMENT OF SHAREHOLDERS OVER INVESTMENT IN ITS NETWORK AND WORKFORCE; THE FCC SHOULD COUNTERBALANCE THE COMPANY’S FOCUS ON MAXIMIZING PROFITS**

AT&T has made its priorities clear. On the same day the company announced plans to retire the “large majority” of its copper-based network by 2029, it also said that it expects to return over \$40 billion to shareholders over the next three years through stock buybacks and dividends.<sup>16</sup>

If AT&T’s applications are granted as requested, AT&T employees will face a continuation of painful cuts that harm service quality. Over the past fifteen years, the telecom giant has reduced overall employment by 50 percent and union jobs by 63 percent.<sup>17</sup> While AT&T’s corporate executives and investors are insulated from the impact of these cuts on the

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<sup>15</sup> The American Rescue Plan had approximately \$25 billion dedicated to broadband deployment and the Bipartisan Infrastructure Law allocated \$42.5 billion for deployment through the BEAD program. U.S. Treasury Department, “One Year In: Treasury Department’s Capital Projects Fund Connecting Nearly Two Million Families and Businesses to Affordable, High-Speed Internet” (June 7, 2023), <https://home.treasury.gov/news/press-releases/jy1526>; National Telecommunications and Information Administration, BEAD program overview, <https://www.internetforall.gov/program/broadband-equity-access-and-deployment-bead-program>.

<sup>16</sup> AT&T, press release, “AT&T Outlines Strategic Plan to Drive Sustainable Growth and Enhanced Shareholder Returns” (December 3, 2024), <https://about.att.com/story/2024/analyst-and-investor-day-2024.html>.

<sup>17</sup> See AT&T form 10-K for the years ended 12/31/2024 and 12/31/2009. As of January 2010, AT&T had 281,000 employees of whom 58% were union-represented; as of January 2025, AT&T had 140,990 employees of whom 43% were union-represented.

communities they serve, frontline workers bear the brunt of customers' frustration with poor service quality, long wait times, and other harms from understaffing and outsourcing of critical functions.<sup>18</sup>

The Commission can help temper this lopsided focus on shareholder interests. Just as it required AT&T to build fiber to at least 12.5 million locations as a condition of its acquisition of DIRECTV in 2015, the Commission should consider today how it can help counterbalance AT&T's drive to maximize profits by insisting on increased investment in fiber deployment beyond what the company might otherwise choose to pursue.<sup>19</sup>

Respectfully submitted,

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<sup>18</sup> See, for example, CWA reports on service quality problems tied to job cuts and outsourcing of technicians, call centers, and retail stores:

CWA, "AT&T's Web of Subcontractors" (2020) <https://cwa.org/attcontractors>; CWA, "Offshoring Customer Service" (2017), <https://www.cwa-union.org/sites/default/files/20180501-att-offshoring-customer-service.pdf>; CWA, "AT&T's Retail Sales Problem" (2017), <https://www.cwa-union.org/sites/default/files/consumerreport-6-5-2017.pdf>.

<sup>19</sup> FCC, press release, "FCC grants approval of AT&T-DIRECTV Transaction" (July 24, 2015), <https://docs.fcc.gov/public/attachments/DOC-334561A1.pdf>.