



California Public Utilities Commission

Annual Report of Telephone Corporations Customer, Employment and Investment Information As Required by Public Utilities Code Section 914

**COMMUNICATIONS DIVISION
REPORT TO LEGISLATURE**



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**CALIFORNIA
PUBLIC UTILITIES
COMMISSION**

COMMUNICATIONS DIVISION

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I. 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 2018 for both wireline and wireless companies. The reporting wireline companies include AT&T California, Frontier California, and Sprint Communications Company, L.P. The reporting wireless companies include AT&T Mobility, Verizon Wireless,¹ Sprint wireless entities,² and T-Mobile West LLC. The 2018 data is the most current full-year data available at the time of this report.³

Key Findings

Wireline Companies: The total number of California wireline customers for the companies subject to the statute was 1.97 million in 2018. The total number of California residents employed by wireline companies was 13,015 in that year, and capital investments accounted for \$3.9 billion. Only one company tracked its contractors and reported an aggregate of 42 contractors who were California residents working in wireline operations.

Wireless Companies: The total number of California wireless customers for the companies subject to the statute was 31.56 million in 2018. The total number of California residents employed by wireless companies was 16,216 in that year, and capital investments accounted for \$2.8 billion. The company that tracked contractor data indicated an aggregate of 623 contractors who were California residents working in its wireless operations.

II. Reporting Requirements Under P.U. Code Section 7912

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.

¹ The Verizon Wireless operating entities in California are: Cellco Partnership, GTE Mobilnet of California Limited Partnership, Los Angeles SMSA Limited Partnership, Sacramento Valley Limited Partnership, Fresno MSA Limited Partnership, AirTouch Cellular, Pinnacles Cellular Inc., Verizon Wireless (VAW) LLC, Alltel Communications, Modoc RSA Limited Partnership, California RSA No. 4 Limited Partnership, Redding MSA Limited Partnership, and Visible Service LLC.

² Sprint wireless operating entities in California are: Sprint Spectrum L.P. and Virgin Mobile USA, L.P.

³ 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 the information is considered to be proprietary, sensitive, and could place a utility at a competitive disadvantage.

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.

The following six telephone companies had more than 750 full-time employees in California and were therefore required to report employment data for 2018:

- AT&T California
- AT&T Mobility
- Frontier California, Inc.
- Sprint entities
- T-Mobile West, LLC
- Verizon Wireless

III. Customers in California

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

Table 1. Aggregated Data for California Customers of Reporting Telephone Corporations

| | <i>Wireline CA Customers</i> | <i>Percentage of Wireline CA Customers in Base</i> | <i>Wireless CA Customers</i> | <i>Percentage of Wireless CA Customers in Base</i> |
|-------------|------------------------------|--|------------------------------|--|
| 2018 | 1,970,806 | 25.68% | 31,564,068 | 19.23% |

Wireline companies: In 2018, the wireline companies reported that nearly 26% of their total domestic customer base were California residents.

Wireless companies: In 2018, the wireless companies reported that 19% of their total domestic customer base were California residents.

Customer Comparison in California: In 2018, wireless companies reported sixteen times more customers in California than wireline companies.

IV. 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>Wireline CA Employees</i> | <i>Percentage of Wireline CA Employees in Workforce</i> | <i>Wireless CA Employees</i> | <i>Percentage of Wireless CA Employees in Workforce</i> |
|-------------|------------------------------|---|------------------------------|---|
| 2018 | 13,015 | 39.28% | 16,216 | 9.76% |

Wireline companies: In 2018, the wireline companies reported that 39% of their domestic workforce were California residents. Moreover, the percentage of full-time workforce residing in California for each individual company ranged between 5.68% and 99.69% in 2018.

Wireless companies: In 2018, the wireless companies reported that almost 10% of their domestic workforce were California residents. Moreover, the percentage of full-time workforce residing in California for each individual company ranged between 7.4% and 14.9% in 2018.

V. Capital Investments in California

Telephone corporations with more than 750 total employees reported their capital investments in California for 2018. The P.U. Code defines capital investment the following way: “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.”

Wireline Companies: In 2018, the wireline companies reported an aggregate total of \$3.9 billion capital investments.

Wireless Companies: in 2018, the wireless companies reported an aggregate total of \$2.9 billion capital investments.

IV. Number of California Residents Employed by Independent Contractors

P.U. Code 7912 requires that telephone corporations with more than 750 total employees report on 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 franchise holder. Thus, the Commission cannot provide a complete profile at this time. The one wireless company and one wireline company that did track the data indicated an aggregate of 42 contractors who were California residents working in wireline operations and an aggregate of 623 contractors who were California residents working in its wireless operations.

Appendix A: P.U. Code Section 914 and P.U. Code Section 7912

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.)