ITEM NO. 8

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 5, 2011

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: June 24, 2011

TO: Public Utility Commission

FROM: Malia Brock

THROUGH: Lee Sparling, Bryan Conway, and Irv Emmons

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: Request to Open Docket to Investigate Call Termination Issues.

STAFF RECOMMENDATION:

Staff recommends that the Commission open a docket to investigate call termination issues in Oregon.

DISCUSSION:

Call termination issues relate to factors that prevent a call from reaching its intended recipient. Oregon rural local exchange carriers (RLECs) in Oregon have reported numerous call termination issues to Staff. Recently, the Oregon Telecommunications Association requested a staff workshop relating to call termination issues in Oregon. The workshop was held on June 24, 2011.

The workshop was attended by members of the industry and presentations were made by several RLECs. The presentations demonstrated that call termination issues are occurring in Oregon and appear to be widespread. As a result of call termination issues, consumers' ability to receive phone calls and faxes in RLEC service areas in Oregon appears to be compromised.

Call termination issues are believed to be a nationwide problem which affects both intra and interstate traffic to areas that have higher terminating access fees. In addition, customers do not appear to understand the issue and many times believe the RLEC is simply providing poor quality service. Some RLECs have done exhaustive testing and

find that these long distance calls don't reach their networks or even the subtending tandem. As a result, RLECs are losing customers.
Improper use of least cost routing (LCR) is one possible cause of the call termination problems experienced by RLECs. In telecommunications, LCR is the process of selecting the path of long distance communications traffic based on cost. Complications associated with LCR experienced by Oregon consumers result in consumers' inability to receive calls, or limit received calls to calls with poor voice quality, incorrect caller ID information or calls that only one party can hear.

Canby Telecom, an Oregon telecommunications cooperative, has documented evidence by their MetaSwitch that intra and interstate traffic improperly terminates over local EAS trunks. Because the calls terminate over local EAS trunks, Canby Telecom cannot bill for terminating access. In one week, Canby Telecom terminated 27,000 calls to its customers from the same billing telephone number. Canby asserts that the telephone number is used as an aggregate point for call termination of VoIP and wireless companies. Attempts to contact Interexchange Carriers (IXC) and Competitive Local Exchange Carriers (CLEC) to resolve issues have failed.

Reasons for an Investigation: The workshop documentation provided compelling evidence of economic harm to both consumers and carriers. Consumers are losing their ability to contact family members in small rural areas along with their ability to make a living in already challenging economic times. Also, it appears that there may be public safety concerns as well. Use of spoofed numbers in conjunction with 911 services can result in an inability to contact emergency services or for emergency services to correctly identify the caller.

PROPOSED COMMISSION MOTION:

The Commission open a docket to investigate call termination issues in Oregon.