

ITEM NO. CA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 11, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE September 1, 2017

DATE: June 28, 2017

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: QWEST CORPORATION: (Docket No. UM 1838) Petition to Abandon 1-800 Calling Service pursuant to OAR 860-32-0020.

STAFF RECOMMENDATION:

Staff recommends that the Commission grant Qwest Corporation's (Qwest or Company) petition to abandon its 1-800 Calling Service, effective September 1, 2017.

DISCUSSION:

Issue

Whether the Commission should approve Qwest's petition to abandon its Price Listed 1-800 Calling Service.

Applicable Rule or Law

Oregon Administrative Rule (OAR) 860-032-0020 provides that a telecommunications utility that intends to discontinue or abandon a regulated intrastate telecommunications service must file a petition with the Commission at least 90 days before the telecommunications utility intends to abandon the service subject to subsections (2) and (7)(a). If the Commission does not deny the petition or set it for hearing within 90 days after receiving the petition, the petition shall be deemed approved as provided for in OAR 860-032-0020(7)(a).

With respect to a regulated service for which there are current customers, a telecommunications utility must demonstrate that the abandonment will not deprive the public of necessary telecommunications services, and provide certain notifications to its

customers, the Commission, and other affected entities (e.g., Oregon Emergency Management) as required under OAR 860-032-0020(5) (6) and (7).

The required notifications include a requirement in subsection (7)(b) to mail a notification to any affected customer and to any other telecommunications provider affected by the proposed abandonment at the same time that the telecommunications utility files the petition with the Commission.

Analysis

Background

Qwest Corporation d/b/a CenturyLink QC (Qwest) filed a petition to abandon its 1-800 Calling Service on May 23, 2017. The company filed the petition pursuant to OAR 860-032-0020. If approved, the abandonment and resulting Price List change is requested to be effective on September 1, 2017.

Description of Service Proposed for Abandonment and Similar Service Offerings

The 1-800 Calling Service is a regulated service. Qwest is currently Price Plan regulated pursuant to Oregon Revised Statute (ORS) 759.255 approved by Commission Order No. 14-346 on October 3, 2014. The Price Plan does not contain provisions for abandonment of price listed services.

The 1-800 Calling Service allows customers to bill local and long distance calls to the CenturyLink 1-800-Calling Card Service¹. The service provides access to an interactive voice response platform via a 1-800 number. The service allows for alternatively billed intra-LATA calling. In addition the service allows customers to place mechanized calling card calls to access directory assistance.

Qwest's customer notice states that customers wanting an alternative service may request the CenturyLink Worldwide Calling Card (for residential customers) or the CenturyLink worldcard (for business customers).

Qwest states in its petition that no customers would be automatically transferred to other telecommunications providers. Qwest states that customers have alternatives via modern technologies making the service obsolete. Those services include mobile phones, text messaging, email, and other social media applications.

Finally Qwest indicates that eventually the service will not be billable as the Company moves toward modifying its billing systems.

¹ The CenturyLink 1-800 Calling Card Service is a different service from the service earmarked for abandonment.

Review of Qwest Compliance with OAR 860-032-0020

Adequate Notice

Qwest has provided the Commission the customer notice as required by OAR 860-032-0020(5) and has certified that it has been mailed to all existing customers of the services being abandoned per OAR 860-032-0020(7). Staff has reviewed the customer notice to confirm that it contains the necessary information required by the rule.

OAR 860-032-0020(6) contains requirements pertaining to notification of the abandonment by the provider to the Oregon Emergency Management system. This subsection of the rule is not applicable by its terms to the abandonment of this service.

The Public will Not Be Deprived of Necessary Services

The petition meets the requirement of OAR 860-032-0020(7)(d) that the petitioner "Demonstrate that the abandonment will not deprive the public of necessary telecommunications services." That is, there are alternatives available to the 1-800 Calling Service customers, and therefore, they would not be deprived of "necessary telecommunications services."

Qwest customers currently subscribing to 1-800 Calling Service received a direct-mailed customer notice of these changes on May 23, 2017. To date, Staff has not heard from any customer regarding the proposed abandonment.

Qwest states that the reason for this petition is that the number of customers subscribing to the service has been steadily declining and currently only 86 customers subscribe to the service in Oregon. The service was Price Listed on August 9, 2010 in Qwest's Oregon, Exchange and Network Services Fourth Edition, Section 106, Obsolete Message Telecommunications Service. The service has not been offered to new customers since this time. For the period January through April of 2017, One Hundred and Fourteen dollars was attributable to the service in Oregon.

Other telecommunications providers---i.e., competitive providers---would not be affected by the proposed abandonment. The 1-800 Calling Service cannot be purchased separately from its underlying Qwest account. Nevertheless Qwest did notice its wholesale customers using standard process on May 18, 2017 that it intended to abandon this service in multiple states including Oregon. No wholesale service providers have indicated that this abandonment is detrimental to them or their customers.

Refunds to affected Qwest customers would be unnecessary because the service is billed in arrears on a per-use basis. No customers will be able to use the service after September 1, 2017 if the petition is granted.

Further, Staff notes that the Commission may require Qwest to reinstate the service if at any time, it finds such action to be necessary to prevent the public from being deprived of necessary services under OAR 860-032-0020(7)(d).

Conclusion

Staff's analysis outlined above has led to the following conclusions:

- 1) Qwest has certified that it has provided the required notifications to its customers, the Commission, and other affected parties in a timely manner.
- 2) Other telecommunications providers would not be affected by the proposed abandonment. No one can purchase 1-800 Calling Service separate from their underlying Qwest account.
- 3) Given the applicable billing structure, Qwest would not need to refund, to any affected customer, any payments for service they do not receive because of the abandonment.
- 4) Qwest has demonstrated that the abandonment would not deprive the public of necessary telecommunications services.
- 5) At a later date, the Commission may require Qwest to reinstate service if reinstatement is necessary to prevent the public from being deprived of necessary services.

PROPOSED COMMISSION MOTION:

Grant Qwest Corporation's petition to abandon 1-800 Calling Service and that Qwest be required to file changes removing the service from its Price List.