

ENTERED SEP 27 2016

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1786

In the Matter of

QWEST CORPORATION, dba
CENTURYLINK QC; CENTURYTEL OF
OREGON, dba CENTURYLINK;
CENTURYTEL OF EASTERN OREGON,
dba CENTURYLINK; UNITED
TELEPHONE COMPANY OF THE
NORTHWEST, dba CENTURYLINK,

Petition to Abandon the Busy Line
Verification and Busy Line Interrupt Services.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our September 27, 2016 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 27 day of September, 2016, at Salem, Oregon.

Lisa D. Hardie
Chair



John Savage
Commissioner

COMMISSIONER BLOOM WAS
UNAVAILABLE FOR SIGNATURE

Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 27, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE October 1, 2016

DATE: September 14, 2016

TO: Public Utility Commission

FROM: Stephen Hayes

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck

SUBJECT: QWEST CORPORATION, CENTURYTEL OF OREGON, INC.,
CENTURYTEL OF EASTERN OREGON, INC. AND UNITED
TELEPHONE COMPANY OF THE NORTHWEST: (Docket No. UM 1786)
Petition to Abandon the Busy Line Verification and Busy Line Interrupt Services.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Qwest Corporation, d/b/a CenturyLink QC, CenturyTel of Oregon, Inc. d/b/a CenturyLink, CenturyTel of Eastern Oregon, Inc. d/b/a CenturyLink and United Telephone Company of the Northwest d/b/a CenturyLink (collectively, CenturyLink or Companies)¹ petition to abandon busy line verification and busy line interrupt services.²

DISCUSSION:

Issues

Whether the Commission should:

1. Approve the Companies' petition and allow the abandonment of busy line verification and busy line interrupt services;

¹ CenturyTel of Oregon Inc. and CenturyTel of Eastern Oregon Inc., two separate legal entities are referred to subsequently as CenturyTel for simplicity in this Staff report.

² There are differences in the names of the services used by the individual companies in their respective tariffs and price lists. For ease of reference and consistency, in this Staff report as in the petition the services will be referred to as Busy Line Verification and Busy Line Interrupt (BLV/BLI). The Companies detail the differences in their application.

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2. Deny the petition; or
3. Set the petition for hearing.

Applicable Law

OAR 860-032-0020 (Rule) provides extensive and detailed requirements that a telecommunications utility must meet in order to discontinue or abandon a regulated intrastate telecommunications service. Selected requirements are reviewed below.

The telecommunications utility must file a petition with the Commission at least 90 days before the telecommunications utility intends to abandon the service subject to sections (2) and (7)(a) of the Rule.

OAR 860-032-0020(5) and (6) require the telecommunications utility to provide certain notifications to its customers, the Commission, and other affected parties. Section (6) further contains requirements pertaining to notification of the abandonment by the provider to the Oregon Emergency Management (OEM) system.

Furthermore, under section (7)(a), the petition shall be deemed approved if the Commission does not deny the petition or set it for hearing within 90 days after its receipt. There is also a requirement in section (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. Section (7)(c) requires the telecommunications utility to also file with the Commission a copy of the notification at the same time it mails the notification and files the petition. Section (7)(d) requires that the telecommunications utility must also demonstrate the abandonment would not deprive the public of "necessary telecommunications services." Finally, the telecommunications utility must obtain Commission approval before transferring customers to another telecommunications provider as set forth in sections (7)(d) and (7)(e).

All four CenturyLink companies are regulated under ORS 759.255 (so-called price plan regulation).³ While, the respective price plans are silent about abandonment of services, pursuant to ORS 759.255, the Commission's abandonment rule still applies.⁴

³ Qwest's Price Plan, Order No. 14-346, CenturyTel's and United's Price Plan, Order No. 14-347.

⁴ ORS 759.255(1) provides that a price plan is one under which the Commission regulates prices charged by the utility without regard to the return on investment of the utility. Since the statute provides for the approval of a price plan without regard to the return on investment of the utility, Staff did not undertake an exhaustive review of the Companies' cost estimates. The only requirement for prices under the price plan is that the prices for the services are not lower than the total service long run incremental cost (TSLRIC). Commission policy establishes the TSLRIC cost as the cost established in the last cost study. Staff

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Discussion and Analysis

Background

CenturyLink filed a petition to abandon its busy line verification and busy line interrupt services on July 1, 2016 pursuant to OAR 860-032-0020.

Descriptions of Services Proposed for Abandonment and Similar Service Offerings

The services allow business, residence and wholesale customers to obtain assistance in determining if a called line is in use (verification) or in interrupting a communication in progress (interrupt) by calling the "0" operator. These services are not offered on a subscription basis. Customers are only billed if a busy line verification or busy line interrupt service is utilized. The services currently require operator service class facilities between operators and most of CenturyLink's eighty-two Oregon wire centers in order for operators to be able to verify or interrupt a busy telephone line.

The Companies explain that the busy line verification and busy line interrupt services do not work in all instances. These limitations are not due to fault in the original functionality of the services but due to technical changes and the availability of services using different platforms for providing service. For example the services do not work for cellular calls, fax, data and VoIP calls. They may also not work for landlines with telephone numbers that have been ported using local number portability.

Noticing

CenturyLink's abandonment notice to its current customers states that the Companies indicated in correspondence with each customer during the month of June 2016 that it intended to discontinue busy line verification and busy line interrupt services.

CenturyLink has provided the Commission the customer notice as required by OAR 860-032-0020(5) and Staff concludes that it contains the necessary information required by the Rule. Oregon Public Service Answering Point (PSAP) customers were also mailed notices of these changes on June 23, 2016.

CenturyLink provided notice of its intent to eliminate these services through their normal wholesale customer noticing process. Wholesale customers were also e-mailed the notice and in some cases where e-mails were returned notices were mailed. No retail

confirmed that the current costs in the tariffs and price lists for the companies are above the TSLRIC price floor.

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customers, wholesale customers or competitive providers have contacted the Commission regarding the proposed abandonment of these services.

Analysis

Staff Engagement with OEM

Staff's major concern about the abandonment of BLV/BLI services is its potential effect on PSAPs and public safety. Staff has engaged in discussions with the OEM about the Companies' petition. OEM considered intervening or filing comments in the Docket and, along these lines, OEM requested the PSAP managers to provide feedback related to the proposed discontinuance of the BLV/BLI services. Staff engaged OEM in order to ascertain the affects that the proposed abandonment of these services would have related to PSAP operations. OEM actively participated by e-mail with Staff and CenturyLink and in a telephone conference call on July 27, 2016. OEM reported that there was some concern about the discontinuance of the services voiced by PSAPs. However, as a result of CenturyLink's response to informal information requests showing the very limited use of the services by PSAPs, OEM decided not to intervene and has not yet filed comments.

Concerns related to PSAP and the BLV/BLI services

One way that a PSAP technician might use these services is to call back a lost E 9-1-1 call to verify that the caller is safe or restore a lost call in progress. If the line were busy on call-back the technician might choose to utilize the BLV/BLI services. There are other scenarios where the services may be utilized by a PSAP technician. The Companies' provided PSAP usage information indicating that no Oregon PSAP used the service for the period of June, 2015, through June, 2016.

Alternative Services

CenturyLink suggested that the PSAPs might take advantage of a functionality called Originator Hold Option capable of preventing some of the situations where a PSAP technician would utilize busy line verification and busy line interrupt services. Staff considers Originator Hold Option an alternative function rather than a substitute service. The alternative function would not allow a caller to disconnect the PSAP once a call was initiated even if the caller were to hang up. This may alleviate the need to use busy line verification and busy line interrupt services in some but not all situations encountered by a 9-1-1 PSAP. In a few years there is potential for alternative services as the State implements next generation 9-1-1 (NG 9-1-1). NG 9-1-1 would employ technology and switching potentially providing alternative services that would not require dedicated

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operator service class trunks. This would potentially make the provision of alternative or substitute services for PSAPs feasible.

To determine why a landline phone is busy CenturyLink suggests that retail customers may also turn to voice and non-voice alternative services such as e-mail, text messages, and cellular communications.

CenturyLink also provided information regarding usage by the general public in its application. The retail customer usage information is provided in the chart below.

Company	Time Period	Usage	Revenue
Qwest	August 2015 through May 2016	Interrupt – 13 Verification - 437	\$648.00
CenturyTel	August 2014 through May 2016	Interrupt – 0 Verification – 0	\$0
United	August 2014 through May 2016	Interrupt – 2 Verification – 71	\$92.60

OAR 860-032-0020(6) contains requirements pertaining to notification of the abandonment by the provider to the OEM system. Section (6) is not applicable to this abandonment because CenturyLink is not exiting the telecommunications market in Oregon. Further, as stated earlier, OEM has been made aware of this abandonment petition and has actively participated in the review.

The Companies state that a reason for this petition is that the cost to deliver these services in Oregon is estimated to be in excess of \$400,000. CenturyLink notes that it received less than \$1,000 over at ten-month period from providing the services. The Companies assert that this indicates that these are not necessary or essential services.

The proposed abandonment would have minimal impact on other telecommunications providers such as competitive providers. CenturyLink provided the following usage information in its application.

Company	Time Period	Other Provider Usage	
		BLV	BLI
Qwest	2015	30	0
	2016	0	0
CenturyTel	-	No Data Provided	No Data Provided
United	2011 through Current	0	0

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Staff further assessed potential impacts to other service providers by searching the electronic comments in the corresponding FCC discontinuance petition dockets and found no comments by telecommunication service providers related to CenturyLink's FCC Section 214 Discontinuance Applications.

Since customers cannot subscribe to the busy line verification and busy line interrupt services, CenturyLink is not able to automatically convert an existing busy line verification and busy line interrupt service customer to another service or to another provider without the customer's or the Commission's approval.

Refunds to affected busy line verification and busy line interrupt service customers would be unnecessary because the services are only billed if they are used.

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 busy line verification and busy line interrupt services, and therefore, they would not be deprived of "necessary telecommunications services." Further, the service is now limited in its scope of applicability on different service platforms such as cellular. The Commission could require CenturyLink to reinstate the services to prevent the public from being deprived of necessary services under OAR 860-032-0020(7)(d) and ORS 757.035.

No customers would need to be transferred to other telecommunications providers as a result of the petition's approval.

No customers have contacted Staff regarding the proposed abandonment of BLV/BLI services by the Companies.

Conclusion

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

- 1) CenturyLink has met the customer and Commission notification requirements.
- 2) Other telecommunications providers would not be affected or be minimally affected by the proposed abandonment.
- 3) CenturyLink would not need to refund to any affected customer any payments for service because of the abandonment.

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- 4) CenturyLink has demonstrated that the abandonment would not deprive the public of necessary telecommunications services.
- 5) If necessary, the Commission may require CenturyLink to reinstate service to prevent the public from being deprived of necessary services.

PROPOSED COMMISSION MOTION:

Approve the CenturyLink Companies' petition to abandon their busy line verification and busy line interrupt services and direct CenturyLink Companies to make tariff compliance filings.

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