

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

In the Matter of SBC TELECOM,)
INC.)
)

PETITION TO WAIVE TIME PERIOD

Pursuant to OAR 860-032-0020(16), SBC Telecom, Inc. petitions the Commission to waive the 90 day customer notification requirement set forth in OAR 860-032-0020(11)(a), and instead, to permit SBC Telecom, Inc. to give affected customers 79 days notice of SBC Telecom, Inc.’s proposed “abandonment” of local service in Oregon. SBC Telecom, Inc. also petitions the Commission to waive the 90 day notification filing requirement implicit in OAR 860-032-0020(11)(b). SBC Telecom is not seeking to cancel its certificate of authority at this time. This will be done in a later filing.

SBC Telecom, Inc. (“Telecom”) will explain. Telecom is a competitive provider in the State of Oregon. It provides local exchange service to 132 customers in Oregon. The Commission issued Telecom a certificate of authority on May 16, 2000. *Re Application of SBC Telecom, Inc.*, CP 763, Order No. 00-257. (Telecom has authority to provide interexchange service in Oregon, but has not been doing so. Many of Telecom’s customers who receive interexchange service have been receiving that service from SBC Long Distance, Inc. (“SBC Long Distance”)).

SBC Telecom, Inc. is affiliated with SBC Long Distance, Inc. They are both wholly-owned subsidiary of SBC Communications Inc. SBC Long Distance, Inc. also provides local exchange service, as well as interexchange service in Oregon. The Commission issued SBC Long Distance a certificate of authority on March 23, 2004 (*Re Southwestern Bell*

Communications Services Inc., dba SBC Long Distance, CP 1218, Order No. 04-168), an earlier certificate September 17, 2002 (*Re Southwestern Bell Communications Services, Inc.*, CP 1081, CP 322, Order No. 02-655), and yet an earlier certificate on August 22, 1997. *Southwestern Bell Communications Services, Inc.*, CP 322, Order No. 97-328.

The wholly-owned subsidiaries of SBC Communications Inc. are in the process of undergoing a national reorganization. Pursuant to that reorganization, all of the assets and liabilities of Telecom are going to be transferred to SBC Long Distance and SBC Long Distance, in turn, is going to become a subsidiary of Telecom. (SBC Long Distance is going to change its corporate form to an LLC, and will become known as SBC Long Distance, LLC.)

As a part of the national transfer from Telecom to SBC Long Distance, local service customers in Oregon will be transferred as well. For these Telecom customers, the transfer will be absolutely seamless. They will receive the very same service at the very same rates. They will not have to “re-apply” for service. Telecom has not collected advanced payments or deposits so no notification about advance payments or deposits is necessary. OAR 860-032-0020 (5)(j). Telecom *customers* are in no sense being abandoned. For them, the proposed transfer is the functional equivalent of a provider name change, and a minor one at that. The proposed transfer is also consistent with OAR 860-032-0020(11)(c), which provides that competitive providers complying with subsections (11)(a) and (11)(b) may transfer customers to another telecommunications provider, including an affiliated company, without requiring affirmative approval from affected customers.

The national transfer is scheduled to take place on April 30, 2005, and thus the “abandonment” of service by Telecom will occur effective May 1, 2005. This reorganization process has been an enormous effort. It has required the coordinated input of people involved in

operations, marketing, regulatory affairs, accounting, billing, and legal affairs, among others. As is typical with companies in this industry, these efforts and discussions included whether new operating names should be adopted. It was not concluded until February 8, 2005 that the receiving provider, SBC Long Distance, would continue operating under that name. Until the name was settled upon, Telecom did not want to be in the position of sending customer notification letters that contained an incorrectly named the receiving provider, only to find itself in the position of having to re-notify customers. That would have been confusing to customers.

With the name issue resolved, Telecom is sending out notification letters to customers in Oregon on February 11. A copy of the notification letter is attached. This will give customers 79 days notice, 11 days short of the 90 days provided by OAR 860-032-0020 (11)(a). (Because this transfer is deemed to be an “abandonment of service” by Telecom, the 90-day customer notification provisions of OAR 860-032-0020 (11)(a) are triggered.) Telecom is proposing to give its customers 79 days notice, and therefore, requests a waiver of the 90-day rule pursuant to OAR 860-032-0020(16).

Oregon is one of 24 states where this change is taking place. There are 132 customers in Oregon. SBC, of course, has a far larger number of customers nationally, and so coordinating everything between the requirements of the 24 states has been a significant undertaking. Each of the states has different notification requirements, with the next closest to Oregon being 45 days.

Under the circumstances of the proposed transfer, 79 days notice should be more than enough notice for customers. Customers will be receiving the exact same service at the exact same rates. For many customers, they will now simply be receiving local exchange service from the same provider who has been providing them with interexchange service. No one will be required to re-apply for service. There are no deposits or advance payments at issue. This is not

a case where anyone is being transferred to an “unknown entity.” As subsidiaries of the same parent, SBC Telecom customers will be receiving service from an affiliated SBC subsidiary that has the very same reputation for service that attracted them to SBC in the first place. If for some reason, a customer nevertheless wants to choose another provider or to disconnect, 79 days will be more than enough time to do so.

As the Commission may recall, when OAR 860-032-0020 (11)(a) was originally proposed, OPUC Staff proposed a 60-day notice period, rather than a 90-day notice period. Staff Memo, dated April 26, 2002. This was subsequently reduced to 30 days for CLECs. ALJ Recommendation, dated September 23, 2002. It was the utilities and providers who proposed that the 30/60-day period be expanded to 90 days, but the reason for that increase grew out of a concern that where the abandonment of service resulted in *customers* being abandoned, that is, that the exiting provider was exiting in every meaning of that word, utilities and providers believed that a 90 day period would give them more time to migrate the customers over so the abandonment did not result in a gap of service to them. *Re Proposed Rulemaking to Amend 860-032-0001 and 860-032-0020*, AR 434, Order No. 03-084 (2003), at 6-8. In this case, where no such gap is possible, that concern is not present. Accordingly, it is appropriate for the Commission to waive the 90-day notification rule and to permit Telecom to give customers 79 days notice. Allowing a waiver here pursuant to OAR 860-032-0020(16) will allow Telecom to issue its notification letters in a nationally-coordinated manner, and is completely consistent with what the Commission said when it adopted OAR 860-032-0020(16):

As we indicated above, these rules specify numerous timelines and requirements that may not be applicable or appropriate in every situation. To allow maximum flexibility, these rules will include a provision allowing the Commission to entertain a petition from a provider or the Staff to waive any timeline or regulation in this rule. This waiver provision will allow the participants in this proceeding to work with the rule as they develop mass

Name
Address
City state zip

February 11, 2005

Dear Valued Customer:

In our continuing efforts to streamline operations, we are pleased to announce that SBC Telecom, Inc. ("Telecom") – your current phone service provider – will combine business operations with its affiliate SBC Long Distance, LLC in Oregon and elsewhere.

As a result of this internal change, the SBC Long Distance will replace SBC Telecom on your billing documentation on May 1, 2005. This consolidation of SBC affiliate companies is subject to obtaining all required regulatory approvals, and the filing of all appropriate documents with state agencies.

The transition of all of your service to the new SBC Long Distance will have no impact on your service whatsoever.

- You will not incur charges related to the transfer of your services to SBC Long Distance.
- You will continue to receive quality local services with the same rates, features, terms and conditions as you currently enjoy from Telecom. At this time, SBC Long Distance does not anticipate making any changes to your current rates, features, terms and conditions; however, should it deem it necessary to do so in the future, SBC Long Distance will continue its practice of notifying subscribers by putting a message in your bill in advance of the change.
- This change will happen automatically with no action required on your part, and will be virtually seamless to you.

You may, of course, choose another local telephone service provider prior to the transfer date, subject to any termination restrictions in your service arrangement with Telecom. Unless you choose another service provider or disconnect your service prior to the transfer date, your account will automatically move to SBC Long Distance. SBC Long Distance will be responsible for handling any complaints filed or otherwise raised by you prior to or during the transfer to SBC Long Distance.

We in the SBC family appreciate your business and look forward to continuing to serve you.

If you have questions, please contact Telecom or SBC Long Distance at 1-877-430-7228, or by mail at 1010 N Saint Mary's Street, #13L, San Antonio TX 78215-2109.

Thank you for choosing the SBC family of companies.

Sincerely,

SBC Telecom, Inc.
SBC Long Distance, LLC

JOHN W. STEPHENS
EMAIL: STEPHENS@ESLERSTEPHENS.COM

February 10, 2005

By E-Mail and Regular Mail

Clerk
Public Utility Commission of Oregon
P.O. Box 2148
Salem, Oregon 97308-2148

Re: In the Matter of SBC Telecom, Inc.

Dear Clerk:

Enclosed please find an original and one copy of Petition to Waive Time Period filed by SBC Telecom, Inc.

Thank you.

Yours truly,

/s/

John W. Stephens

JWS/mec
cc: Client
Enclosures