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Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97308-1008  
**By Email**

October 12, 2021

Re: Docket UM 2040 Response to Staff Request

Lumen sincerely appreciates the opportunity to offer a proposal in this matter. We stop short of a more technical “straw proposal” for several reasons. First, any result in the Commission’s newly opened rulemaking, Docket AR 649, must be fully considered in any proposal. Second, and more fundamental, the Commission is hamstrung by the existing law, which is based on decades old assumptions about technology, the cost to provide service, the nature of competition, and a regulatory compact the terms of which no longer exist. It will be difficult or impossible under current law to craft relevant policy that provides meaningful relief to Oregonians who most need it and to the companies that serve them.

While there are a very small number of customers who still prefer a copper landline telephone (plain old telephone service or “POTS”), the vast majority have chosen from myriad alternatives to POTS to satisfy their communication needs, including those offered by wireless, cable, competitive fiber, fixed wireless, satellite, and the numerous internet-based video and messaging alternatives to telephone. And our experience is that most of the very small number of POTS hold-out customers prefer it not because it is their only option for voice service, but rather because they believe that it is more reliable than internet-based (terrestrial and satellite) service alternatives. This is usually not the case. The consequence is that the Commission and the parties are left spinning their wheels trying to solve a modern problem using an outdated regulatory framework, and at great expense and effort to all parties involved. The decades old regulations currently in place cannot reasonably be expected to address the real issue in underserved communities – the demand for modern high-speed internet service.

History shows that this matter, even if informed by any outcome in the AR 649 rulemaking, will likely be contentious, protracted, and expensive. Lumen therefore urges the Commission to work with the parties to craft meaningful legislation to fundamentally reform telecommunications regulation, including regulation related to the carrier of last resort obligation and the universal service fund.

We understand that change is often accompanied by uncertainty and fear, but worse in this case is a policy outcome that fails to accomplish relevant objectives, that does not address the actual needs of Oregonians, and that results in unnecessary and wasteful expenditure of resources. We owe the citizens of Oregon more and Lumen is prepared to work in good faith with the parties, the Commission, and leadership across Oregon government to effect policy

changes that instead achieve modern, relevant goals, that are productive and positive, and that result in real benefits to Oregonians.


Therefore, we urge the Commission to consider the following actions:

- (1) Extend the current stipulation in Docket UM 1481, adopted by the Commission in Order No. 16-093, on March 4, 2016, for an additional two years, to the end of 2023, to allow the parties to re-write ORS Chapter 759 and to seek the approval of the legislature;
- (2) Stay Dockets UM 2040 and AR 749 (or in the alternative conclude the rulemaking, but stay any implementation of any new rules to 2024); and
- (3) Authorize the Commission's legislative policy staff to engage in discussions with the parties regarding how best to modernize the law.

Despite all prior appearances, the parties' interests are complementary. Lumen believes a "grand bargain" can be struck that reduces pressure on the USF and appropriately and equitably purposes it, provides meaningful changes to decades-old monopoly era regulation for which it believes there is no longer any rational basis, and ensures that Oregonians urban and rural, economically advantaged and disadvantaged, and everyone in-between get what they truly demand – fast and reliable broadband that satisfies all their communications needs. Technology and the marketplace have changed dramatically in the last twenty years, but even more rapidly in the last two years, largely because of the pandemic. The time to act is now.

We look forward to this great opportunity.

Respectfully submitted this 12<sup>th</sup> day of October 2021.

By: 

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