

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1195

In the Matter of)
)
SBC TELECOM INC.) ORDER
)
Petition to Waive Time Period.)

DISPOSITION: APPLICATION APPROVED

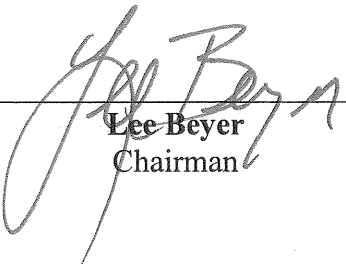
On January 10, 2005, SBC Telecom Inc. (SBC) filed a petition with the Public Utility Commission of Oregon (Commission) to waive the 90-day time period for customer notification of abandonment of service under OAR 860-032-0020(11)(a), and permit a notice period of 79 days. OAR 860-032-0020(11)(a) requires a provider that intends to abandon any or all services in Oregon, to notify customers of its intent at least 90 days before abandoning the services. If the Commission grants SBC's petition for waiver of the 90-days requirement and permits a notice period of 79 days, the company will have met all applicable Commission notice requirements. A description of the filing is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on March 22, 2005, the Commission adopted Staff's Recommendation and approved SBC's petition for waiver of the time period.

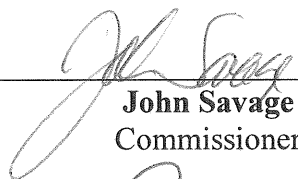
ORDER

IT IS ORDERED that SBC Telecom Inc.'s application to waive the 90-day time period for customer notification of abandonment of services under OAR 860-032-0020(11)(a), is granted.

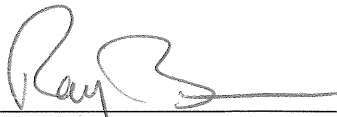
Made, entered, and effective MAR 28 2005.



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to 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 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 22, 2005**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ NA

DATE: March 14, 2005

TO: Public Utility Commission

FROM: Dave Booth

THROUGH: Lee Sparling and Phil Nyegaard

SUBJECT: SBC TELECOM INC; (Docket No. UM 1195) Petition to Waive Time Period.

STAFF RECOMMENDATION:

The Commission should grant the petition by SBC Telecom, Inc. seeking waiver of the 90-day time period for customer notification of abandonment of service under OAR 860-032-0020(11)(a), and permit a notice period of 79 days.

DISCUSSION:

The Commission's abandonment of service rule for competitive telecommunications service providers is OAR 860-032-0020(11). OAR 860-032-0020(11)(a) requires a provider that intends to abandon (i.e., cease providing) any or all services in Oregon, to notify customers of its intent at least 90 days before abandoning the services. On February 10, 2005, SBC Telecom, Inc. (SBC Telecom) filed a petition requesting a waiver of the 90-day notice period. SBC Telecom seeks permission to notify its customers 79 days before abandoning local exchange service in Oregon.

The company provided a notice of intent to abandon service to its customers on February 11, 2005. The notice informed customers that the company intends to abandon service effective May 1, 2005. SBC Telecom simultaneously filed a copy of the customer notification with the Commission on February 11, 2005, as required by OAR 860-032-0020(11)(b).

SBC Telecom provides local exchange service to 144 Oregon customers.¹ SBC Telecom plans to transfer all of its local exchange service customers to an affiliate company, SBC Long Distance, Inc (SBC Long Distance).² Both SBC Telecom and SBC Long Distance are wholly-owned subsidiaries of SBC Communications, Inc.

OAR 860-032-0020(11)(c) specifically allows an exiting telecommunications services provider such as SBC Telecom to transfer customers to an affiliate such as SBC Long Distance without affirmative approval from affected customers, but only if the exiting provider has complied with the Commission's customer notice requirements for abandonment of service. If the Commission grants SBC Telecom's petition for waiver of the 90-day notice requirement and permits a notice period of 79 days, the company will have met all applicable Commission's notice requirements. SBC Telecom could then proceed with the transfer effective May 1, 2005.

SBC Telecom plans to abandon local exchange services in Oregon as part of a national reorganization by its parent, SBC Communications, Inc. The parent finalized its plan of reorganization on February 8, 2005. Under the plan of reorganization, "all of the assets and liabilities of [SBC Telecom] are to be transferred to SBC Long Distance, and SBC Long Distance, in turn, is going to become a subsidiary of [SBC Telecom]." (Petition, p. 2)

SBC Telecom justifies its failure to meet the 90-day notice requirement in OAR 860-032-0020(11)(a) by the complexity and scope of the national reorganization effort. In addition, the company contends that Oregon's 90-day notice requirement is much longer than in other affected states. According to the petition:

Oregon is one of 24 states where this change is taking place. There are [144] customers in Oregon. SBC [Telecom], 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. (Petition, p. 3)

SBC Telecom also points out that:

¹ SBC Telecom stated in its petition that the company provides local exchange service to 132 Oregon customers. The company corrected the customer count to 144 on February 11, 2005, when it filed a copy of its customer notification with the Commission.

² The Commission granted SBC Long Distance authority to provide local exchange service on March 23, 2004. See docket CP 1218, Order No. 04-168.

Under the circumstances of the proposed transfer, 79 days notice should be more than enough notice to 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 for them to do so. (Petition, pp. 3-4)

Staff agrees with SBC Telecom that under the circumstances 79 days notice is adequate to protect SBC Telecom’s customers. In addition, the 79-day notice period should allow competing providers sufficient time to market their services to SBC Telecom’s customers before they are transferred to SBC Long Distance.

PROPOSED COMMISSION MOTION:

SBC Telecom’s petition for waiver of the 90-day time period for customer notification of abandonment of service under OAR 860-032-0020(11)(a) be granted, and a notice period of 79 days be permitted.

SBC Waiver Petition pmm