

This is an electronic copy.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 957

In the Matter of an Investigation of the)
Extended Area Service Process and)
Standards.) ORDER

**DISPOSITION: EXPEDITED PHASE II SCHEDULE ACKNOWLEDGED;
LIMITED INVESTIGATION OPENED**

In this order, the Commission acknowledges the changes made to extended area service (EAS) processes to expedite the current consolidated Phase II – Tariff Analysis proceeding, docket UM 806 *et al.* These changes could result in EAS deployments occurring five months sooner than under existing procedures. The Commission also opens a limited investigation of EAS process and standards. The investigation will address whether any additional modifications can be made to streamline and expedite current procedures relating to Phase I – Community of Interest, and Phase II – Tariff Analysis.

INTRODUCTION

At the request of the 1999 Legislative Assembly, the Commission Staff (Staff) and the Oregon Telecommunications Association (OTA) conducted a workshop with industry representatives to address EAS investigations. The purpose of the workshop was two-fold. First, Staff sought opinion from the industry on whether the current EAS process could be shortened. Second, Staff sought comment on the difficulties of collecting toll traffic information, in a dialing parity environment, for purposes of evaluating community of interest objective criteria.¹

The workshop attendees agreed that the EAS procedural schedule could be reduced. After discussion, Staff agreed to file a motion in the current consolidated Phase II – Tariff Analysis proceeding to speed up EAS deployment by as much as five months. Some participants, however, stated that there were problems with EAS that were larger than the procedural timetable. A few questioned the sustainability of expanding EAS areas and wondered what role EAS should have in an increasingly competitive

¹ In a dialing parity environment, many interexchange carriers carry intraLATA toll traffic, thus making it more difficult to judge the extent of EAS community of interest between two or more communities.

ORDER NO.

environment. To address these concerns, as well as those related to the collection of toll traffic information, the industry recommended opening a generic Commission investigation to reexamine its EAS policies.

Staff recommended opening such an investigation at the Commission's November 16, 1999, Public Meeting. Specifically, Staff proposed that the Commission open an EAS investigation on its own motion, under ORS 756.515, to seek comments from interested parties with respect to the Commission's existing EAS policy. The scope of the investigation would examine what, if any, changes should be made with respect to EAS petitioning, community of interest reviews, traffic/data collection (Phase I investigation), cost and rate reviews (Phase II investigation), EAS rate standards, and EAS cost standards.

In addition, Staff requested the Commission acknowledge the general process it has devised and implemented to shorten the time to process current EAS investigations. Under this process, Staff will shorten the Phase II portion of an EAS investigation by two months by shortening the time between the end of the evidentiary record and issuance of the final order. In addition, connecting carriers will be permitted to implement the new EAS at any time between the date of the final order and the first Saturday in October of that year. These two actions could result in EAS deployments five months sooner than under current procedures. Staff has already received approval to implement these changes in the pending Phase II proceeding, docket UM 806 *et al.*

DECISION

The Commission acknowledges the general process that has been implemented to shorten the time to process current EAS investigations. The Commission conducts EAS investigations in two Phases. In Phase I, the Commission examines whether a community of interest exists between the petitioning and target telephone exchanges to warrant the elimination of toll calling. This is completed with a review of geographic and calling pattern data between the two exchanges, and, in some cases, demographic information. On August 1 of each year, the Commission consolidates all petitions that have met the community of interest test Phase I and begins Phase II, Tariff Analysis. In this phase, telephone companies file proposed tariffs and cost information, which is reviewed by Staff to ensure that the proposed rates meet Commission criteria. Public comment hearings are held in the petitioning exchanges to allow customers the opportunity to comment on the proposed rates and to ask questions about the new service.

Traditionally, the Phase II review has taken about eleven months, with a Commission order issued around mid-July. The new EAS routes are then implemented the first Saturday of the following October. Under the new schedule, the Commission will issue its order some two months earlier, in May of each year. This will be accomplished by moving up the dates of the public comment hearings, and shortening the time between the close of the evidentiary record and the issuance of the final order. In addition to this change, local exchange carriers may implement new EAS routes at

ORDER NO.

anytime between the date of the Commission order and the traditional deployment date of the first Saturday in October.² Shortening the Phase II review and giving carriers the flexibility in implementing new routes will allow quicker deployment of EAS by as much as five months.

The Commission also agrees to open an investigation of EAS on a limited basis. This new investigation will be limited to whether any changes should be made with respect to: (1) Phase I issues, including EAS petitioning, traffic/data collection and community of interest reviews; and (2) Phase II issues, including cost and rate reviews. The goal of this investigation will determine whether any further modifications can be made to these procedures to help streamline and expedite EAS procedures. It will not address EAS rate standards, and EAS cost standards, as originally proposed by Staff. Nor will it include broader issues such as the role of EAS in a competitive marketplace. The Commission may decide to examine those issues only after a review of existing EAS procedures has been completed. Finally, the examination in this docket will be limited to current Phase I and Phase II proceedings as they apply to exchange-by-exchange petitions. It will not include procedural issues as they relate to the Portland EAS Region.

ORDER

IT IS ORDERED that:

- (1) Staff's actions to shorten the time to process current EAS investigations are acknowledged.
- (2) An investigation shall be opened to examine EAS process and standards. The investigation shall be limited to issues as set forth above.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

² As Staff notes, local exchange companies must coordinate deployment of new EAS routes with other connecting carriers.

ORDER NO.

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 of 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. A party may appeal this order to a court pursuant to ORS 756.580.