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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 957

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

DISPOSITION: APPLICATION FOR RECONSIDERATION DENIED

On February 4, 2000, GTE Northwest Incorporated (GTE) filed an application for reconsideration of Order No. 99-743, which opened a limited investigation of extended area service (EAS). In the order, we stated that the investigation would be limited to whether any additional modifications could be made to streamline current procedures relating to EAS, and would not address broader issues such as the role of EAS in an increasingly competitive environment.

In its application, GTE requests that we reconsider Order No. 99-743 to allow for a broad reassessment of EAS policy. GTE points out that the Commission's current EAS policy was established some ten years ago in docket UM 189. GTE contends that legal, regulatory, and market changes since that proceeding have substantially affected the policies underlying the current EAS structure.

U S WEST Communications, Inc., (U S WEST) and the Oregon Telephone Association (OTA) support GTE's application. Both parties contend that the significant regulatory and market changes affecting the provision of telecommunications in Oregon in the last several years justify a reexamination of EAS rate and cost standards, the role of EAS in a competitive marketplace, and the policy basis for EAS. The Commission Staff (Staff) opposes GTE's request. It contends that good cause does not exist for reconsideration of Order No. 99-743.

ISSUE

This Commission may grant an application to reconsider an order if good cause exists for further examination of a matter essential to a decision. OAR 860-014-0095. In its application, GTE challenges our decision—made at the November 16, 1999, public meeting and codified in Order No. 99-743—to reject as part of this investigation a broad review of EAS policy and the efficacy of EAS in a competitive marketplace. Accordingly, as Staff points out, the issue presented is whether good cause exists for reconsideration of Order No. 99-743

DISCUSSION

GTE requests that we modify Order No. 99-743 and use this docket as a vehicle to review and reassess the role and the policies underlying EAS in light of recent legal, regulatory, and market changes. GTE's application for reconsideration is based primarily on its belief that the current EAS policy is so flawed that a comprehensive review of underlying policy should precede or accompany any examination of the EAS process.

At our November 16, 1999, Public Meeting, we recognized but rejected Staff's request—made on behalf of the industry—to open a generic EAS investigation to examine the type of issues now raised by GTE. We made that decision for three primary reasons. First, we noted that the current EAS policy was adopted after a comprehensive and lengthy examination of regulatory goals, customer interests, and competitive ramifications. For that reason, we did not want to simply open a docket to invite comment on all aspects of EAS. Because EAS is, by its nature, complex, we believed that a broad and undefined investigation would result in chaos.

Second, we noted that the telecommunications industry had failed to identify the exact nature of its perceived problem with EAS policy and invited industry comment as to the need for a generic investigation. Although representatives from the companies supporting an expanded review of EAS were present at the public meeting, only OTA addressed the Commission and did not address EAS policy.

Third, we noted that the legislature had expressed a concern with only the current EAS process. In approving our current budget, the legislature requested that the Commission report on efforts to streamline rules and processes to reduce the length of time needed to implement EAS. Thus, in contrast to the industry, the legislature did not request a reexamination of EAS policy, but rather endorsed the continued role of EAS.

Based on these observations, we decided to open a limited and expedited investigation to address the concerns raised by the legislature. As we stated in Order No. 99-743, the investigation is 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.

Nothing in GTE's application persuades us to reconsider our decision in Order No. 99-743 and expand the scope of this investigation. As Staff points out, good cause for reconsideration exists only if the need for immediate and fundamental changes to

EAS policy is so pressing that changes to current procedures should be delayed until that review is completed. The legislature's request to streamline and expedite current EAS procedures would inevitably be slowed by a broad-scale review of EAS policy. GTE's request to expand the scope of this docket is inconsistent with our objective to expedite EAS procedures as quickly as possible. Accordingly, we conclude that good cause for reconsideration does not exist.

This decision, however, does not preclude a broader review of EAS policy following the conclusion of this limited investigation. In Order No. 99-743, we expressly recognized the possibility of a reevaluation of EAS policy and its implementation after an expedited review of EAS procedures has been completed. In its application, GTE has helped clarify some of the industry concerns regarding the continuing viability of EAS in a competitive marketplace. We are not opposed to reassessing the role of EAS at a future date. GTE and other industry representatives may provide further information and specific proposals at that time.

ORDER

IT IS ORDERED that the application for reconsideration of Commission Order No. 99-743, filed by GTE Northwest Incorporated, is denied.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

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