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ATTACHMENT 1

**Guidelines for CLEC Involuntary Exits from
Local Exchange Services Market**

These guidelines are to be used when a wholesale provider(s), either an underlying ILEC or CLEC, contacts the Commission about the need to initiate a mass migration process.

ATTACHMENT 1
Cont'd

I. Objective

When a wholesale provider(s), either an Incumbent Local Exchange Carrier (ILEC) or a Competitive Local Exchange Carrier (CLEC), contacts the Commission about the need to initiate a mass migration process for a CLEC, simple procedures should be followed to ensure the CLEC notifies its end-user customers that their service will be terminated. This circumstance arises because some CLECs may utilize multiple vendors in order to offer services to their end users – for example, one for dial tone and one for unbundled local loops. Failure to pay any one of the underlying providers may result in involuntary disconnection of service.

II. Regulatory Notification

The Public Utilities Commission of the State of California requires that a CLEC may withdraw from providing local exchange service to customers only with Commission approval in compliance with the Mass Migration Guidelines. (*See General Order 96-B, Telecommunications Industry Rule 7.4; see also D.02-05-044; D.06-10-021, Attachment A, Mass Migration Guidelines.*) Not all CLEC withdrawals from providing local exchange service result in the filing of an application. Where the wholesale provider's experience determines that treatment action for breach of contract or nonpayment of wholesale services will result in interruption of service to a CLEC's end users is imminent, the wholesale provider shall contact the Director of the Communications Division to develop a mutually-acceptable process to notify the Communications Division Staff of the imminent interruption in service. Such notification shall include any information in the wholesale provider's possession that may assist Staff in contacting the

ATTACHMENT 1
Cont'd

appropriate representatives of the CLEC to discuss the situation. The wholesale provider may, at its option, meet this notification requirement by copying Staff on termination notices issued to a CLEC and updating Staff if the CLEC timely satisfies the claim. Such notification must be provided to Staff at least five days prior to termination of service to the CLEC.

III. Customer Notification

Staff shall contact the CLEC and take measures to ensure that the CLEC complies with its obligation to notify its end-user customers sufficiently in advance of the date on which the wholesale provider will terminate wholesale service to the CLEC after Staff receives notification from the wholesale provider. The wholesale provider has no obligation to provide customer notification. An acquiring carrier must provide notice of the migration to the exiting CLEC's end-user customers in advance of the migration, whenever possible.

IV. Involuntary Exit Process

If a CLEC or ILEC agrees to migrate some or all of the exiting CLEC's end-user lines, the acquiring carrier (Acquiring LEC) must file a Tier 1 advice letter notifying the Commission of the migration. The Acquiring LEC is obligated to migrate the lines in accordance with the wholesale provider(s)' rules governing the transfer of customers. Standard ordering practices and charges should apply, unless other arrangements are made.

Where there is no Acquiring LEC, if Staff believes the Commission should address any issues related to termination of CLEC service on an expedited basis (including without limitation removal of preferred carrier freezes or obtaining information necessary to provide notice to CLEC end users if the CLEC fails to

ATTACHMENT 1
Cont'd

do so), Staff shall prepare a resolution or an order instituting investigation for expedited Commission consideration of these issues. The Commission will use all appropriate measures, including Administrative Law Judge and/or Assigned Commissioner rulings, to consider such matters on an expedited basis.

Unless the Commission rules otherwise based on a finding of extraordinary circumstances and after notice and an opportunity for hearing, if the wholesale provider complies with required regulatory notification, the wholesale provider is not obligated to provide service to end-user customers of a CLEC after termination of service to the CLEC unless the end-user customer specifically requests service from the wholesale provider and otherwise satisfies eligibility requirements imposed by the wholesale provider on other customers in the normal course of business. Notwithstanding the lack of a Default Carrier requirement for involuntary CLEC exits, Staff may discuss with the wholesale provider options for acquiring some or all of the exiting CLEC's end-user customers. Staff discussions with the wholesale provider should precede any Commission ruling or decision requiring the wholesale provider to migrate the exiting CLEC's end-user customers.

V. Applicability of Commission Requirements During Involuntary Exits

The failure to meet General Order 133-C Service Quality measures and standards will not be subject to penalties. The third-party verification requirements of Pub. Util. Code § 2889.5 will not apply to the customer base transfer in involuntary exits.

(END OF ATTACHMENT 1)