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# NOTIFICATION OF PUBLIC PARTICIPATION HEARINGS S RED BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) FOR ORDER INSTITUTING RULEMAKING PROCEEDING R.09-06-019

## Your Participation and Comments are Important to Us!

The CPUC will be holding Public Participation Hearings (PPH) to discuss changes to basic telephone service.

Today, basic telephone service includes the following:

- Unlimited local calling
- Access to directory assistance, operator, and telephone relay services
- Access to N11 services, directory listing, white page phone directory, and 800 toll-free services at no charge
- Access to California LifeLine discounts and information
- Choice of long distance carrier
- 900/976 blocking and bill adjustment

Since the CPUC adopted this definition many years ago, basic telephone service has changed with new providers offering consumers new forms of phone service. In response to these changes, the CPUC is considering changing what basic phone service should now include. We hope that a change in the definition will allow more phone service providers to offer California LifeLine discounts to consumers. Some of the possible changes could affect how local calls are billed, choices for long distance calling, and service quality standards."

The CPUC will be holding Public Participation Hearings (PPH) to discuss the proposed changes for what makes up basic telephone service.

| PPH | Location | Time |
|---|---|---|

**(See page 4 of Ruling for listing of times and locations of PPHs.)**

**Get involved and speak your mind!**

For more information go to WWW. CPUC.CA.GOV

Enter your comments at www.blank.com or e-mail public.advisor@cpuc.ca.gov

Attend one or more of the Public Participation Hearings.

Call the CPUC, Public Advisor's Office (PAO) at
415.703.2074
866.849.8390 Toll Free
415.703.5282 TTY
866.836.7825 TTY Toll Free

Write to the CPUC, PAO at
505 Van Ness Ave.
San Francisco, CA 94102

Please be sure to refer to R.09-06-019 in your written correspondence or e-mail. All comments will be shared with decision-makers. All e-mails and written correspondence will become part of the formal correspondence file for this proceeding and the public comment record.

A copy of the rulemaking is available from the CPUC's Central Files Office at 505 Van Ness Avenue San Francisco, CA Monday through Friday, 8am to noon and at http://docs.cpuc.ca.gov

If specialized accommodations are needed, such as sign language or other interpreters, please contact the CPUC's Public Advisor's Office (PAO) at least 3 to 5 working days prior to the date needed.

(End of Appendix 1)

# Appendix 2

## Proposal for Basic Telephone Service Revisions

This appendix outlines the major proposed changes in basic telephone service currently being contemplated by the California Public Utilities Commission (Commission). Any proposed changes must be acted upon by the full Commission before becoming effective. Revisions to existing requirements are being contemplated to promote greater consumer choice among telecommunications providers while preserving essential service needs. Service providers seeking to participate in the Commission's "LifeLine" or "high-cost support" programs must satisfy minimum basic telephone service requirements. Proposed revisions, as summarized briefly below, may affect how customers receive basic service, but may also expand their choices of providers. Except as noted, existing basic service features would continue without change.

### 1) Access to Two-Way Voice Service

**Existing definition:** requires access to "single-party local exchange" service, which is commonly known as wireline local exchange, which is provided by Incumbent Local Exchange Carriers (ILECs) such as AT&T, Verizon and Frontier.

**Proposed Change**: Would replace the term "local exchange" with the term "two-way voice" service capable of delivering calling within same local community in which basic service is currently being provided.

The revised terminology recognizes wireless and other technologies as potential sources of basic service, but also incorporates ILECs' current billing arrangements as compatible with the revised terminology.

### 2) Equal Access to Interexchange Service (or its functional equivalent)

**Existing definition:** Customers have equal access to all interexchange carriers (also known as long distance carriers) offering service within a local exchange. Customers thereby gain access to a pre-subscribed long distance carrier.

**Proposed Change:** Customers would have access to interexchange service (or its functional equivalent in the case of intermodal carriers that don't utilize local

exchanges). Wireless and other non-ILEC providers would not be required to provide customer with access to a pre-subscribed long-distance carrier.

Independent of this change, ILECs remain subject to federal law, requiring that they provide access to the customer's presubscribed long distance carrier by using 1+dialing.

### 3) Provision of Unlimited Incoming Calls

**Existing definition:** Provides for free unlimited incoming calls, with no additional charge beyond the basic flat rate.

**Proposed Change**: The customer would receive unlimited incoming calls without per-minute or per-call charges, but the costs of delivering incoming calls may be recovered as part of an end-user fixed service fee.

This revised description would not change existing ILEC billing arrangements.

0ther non-ILEC carriers would be able to offer competing basic service for a fixed fee. The end-user would retain certainty regarding the cost of incoming calls.

### 4) Access to Emergency Services (911/E911)

**Existing definition:** Requires free and unlimited access to emergency services (911/E911).

**Proposed Change:** This element would be retained, recognizing that access to emergency services is essential to all consumers.

Since the FCC has mandated compliance requirements for VoIP and wireless providers, such requirements must be satisfied to meet the requirements for basic service.

At a minimum, non-ILEC provider offering basic service must satisfy mandated FCC compliance requirements for free and unlimited access to emergency 911 and, where available, E911 service.

### 5) Access to Directory Assistance

**Existing definition:** Requires access to local directory assistance and access to foreign Numbering Plan Areas (NPAs).

**Proposed Change:** Access to directory assistance would continue to apply, but specific references delineating "local exchanges" or "numbering plan area" boundaries can be deleted.

In any event, the provision of basic service would be required to offer directory assistance for access to no less than the range of directory listings currently provided to basic service customers by the ILEC.

## 6) Provision of Lifeline Rates and Charges

**Existing Definition:** Basic service requires the offering of Lifeline rates and charges to all eligible customers within a designated service territory pursuant to the Moore Universal Telephone Service Act.

**Proposed Change:** This requirement would continue, but the manner in which LifeLine rates will be applied under the Commission's revised LifeLine framework is the subject of R.06-05-028.

To qualify as a basic service provider, the service would be expected to offer a LifeLine discount for qualified customers in accordance with the process to be adopted in R.06-05-028.

## 7) Choice of Fixed Charge or Usage-Based Service

**Existing definition:** Customers have a choice between "flat rate" or "measured rate service". The "flat-rate option relates to the ILEC wireline service for unlimited calls originated and terminated within a local exchange calling area.

The ILEC imposes a per-minute toll charge on calls terminated beyond the local exchange boundaries. ILEC customers also have the option of a "measured rate" (i.e., a usage charge based on the customer's volume of calling).

An ILEC that is the "carrier of last resort" in designated "high-cost" areas must certify that its basic rates in the high-cost areas do not exceed 150% of the highest basic rate charged in California outside of the high-cost area (see D.08-10-040 for further details).

**Proposed Change:** The existing requirements would still apply where the ILEC is the provider of basic service.

Basic service providers *other than ILECs* (i.e., wireless) that do not utilize local exchange boundaries and/or central office rate centers for billing would be required to offer a fixed charge option applicable to all incoming and outgoing calls.

The provision of basic service would require carriers to offer a fixed charge billing option covering unlimited incoming and outgoing calls.

Where a non-ILEC is the carrier of last resort in a designated high-cost area, the non-ILEC must also certify that its basic rates in the high-cost areas do not

exceed 150% of its highest basic rate charged in California outside of the high-cost area) (see D.08-10-040 for further details).

If a non-ILEC carrier of last resort doesn't offer a separate stand-alone basic service rates outside of the high-cost areas, such carrier may apply the 150% limit based on the stand alone rates of an adjacent ILEC, or other acceptable proxies as may be approved by the Commission. (D.08-10-040, Ordering Paragraph 14).

## 8) Provision of Directory Listing

**Existing definition:** Requires the offering of one directory listing per year (as set forth in D. 96-02-072). Existing directory listing requirements apply only to wireline LECs.

Customers currently have the option -- but are not required -- to have their number listed in a published directory (under procedures set forth in D.96-02-072).

**Proposed Change:** Existing provision would continue. A non-ILEC basic service provider need not publish its own separate directory, but may simply arrange with an existing directory publisher to include any of its basic customers that elect to be listed.

## 9) White Pages Telephone Directory

**Existing definition:** Requires offering a "free" white pages telephone directory to customers interested in receiving one.

**Proposed Change:** Basic service customers would continue to have access to a directory of published telephone numbers for their local community.

A basic service provider would not be required to engage in directory publishing, but would be expected to make appropriate arrangements to ensure that its basic service customers have access to a published directory of local listings if they wish to receive one.

A provider of basic service that does not publish subscriber directories, however, should make necessary arrangements with a directory publisher to ensure white page directories are available to customers without charge.

## 10) Voice Grade Connection to the Public Switched Telephone Network

**Existing Requirement:** Ensures that customer has voice grade connection to the public switched telephone network.

**Proposed Change:** This element would be retained, but further minimum standards for voice-grade connection may be warranted for wireless and/or Voice over Internet Protocol providers of basic service.

Voice signals on an Internet Protocol network may be sensitive to degradation due to factors such as "latency, jitter, and packet loss."

For voice communication to be of sufficient quality, a VoIP provider would need to meet appropriate technical standards to ensure sufficient voice-grade quality.

A wireless carrier's facilities should provide sufficient signal strength to enable customers to maintain a voice connection from their household, or to avoid dropped calls.

Wireless basic service would need to provide the capability for households to send and receive calls with a clear signal without dropped calls.

Further inquiry may be warranted regarding minimum voice-grade standards, with enforcement mechanisms where basic service is provided over a wireless or VoIP networks.

### 11) Access to toll-free 8YY Services

**Existing definition:** Customers are entitled to free access to 800 or 800-like (8YY) toll-free services.

**Proposed Change:** This requirement would be retained. Current federal law requires wireline carriers to treat calls to 8YY numbers as toll-free calls.

Because a provider of basic service would be required to offer unlimited calling option for a fixed charge, customers would have unlimited access to 8YY numbers without additional per-minute charges.

### Minimum Service Quality Standards

All telephone corporations must provide "…customer service to telecommunication customers that includes, but is not limited to…reasonable statewide service quality standards, including standards regarding network technical quality, customer service, installation, repair, and billing."[1]

The Commission mandated service standards for certificated telecommunications carriers in D.09-07-019, but did not address service quality requirements for wireless or other nontraditional providers.

[1] See Public Utilities Code Section 2896 (c)

Wireless registrants only provide limited contact information and VoIP providers are currently not subject to any Commission-mandated minimum requirements as to demonstrating fitness to serve.

D.09-07-019 deferred addressing whether to require service quality reporting for wireless, VoIP, and IP-enabled carriers pending the federal rulemaking regarding regulatory treatment of such carriers.

Further inquiry is needed concerning service standards appropriate for wireless, VoIP and IP-enabled customers.

**(End of Appendix 2)**