

State of California

Public Utilities Commission  
San Francisco

**M E M O R A N D U M**

**Date : March 12, 2013**

**To : The Commission  
(Meeting of March 21, 2013)**

**From : Kimberly Lippi  
Public Utilities Counsel IV**

**Roxanne L. Scott  
Program and Project Supervisor, Communications Division**

**Subject : Filing of Comments with in the FCC's Notice of Proposed Rulemaking  
(NPRM) Regarding Rural Call Completion Problem**

**RECOMMENDATION:** The CPUC should file comments in response to the Notice of Proposed Rulemaking (NPRM) issued by the Federal Communications Commission (FCC) in the Matter of Rural Call Completion.<sup>1</sup> The Commission should support the FCC's proposal to collect better data on this problem, urge the FCC to take enforcement action, and state that the FCC should permit state commissions to access the data filed by carriers that pertains to their state. Staff seeks authority to prepare and file comments supporting the FCC's effort to address this problem.

**BACKGROUND:** The NPRM seeks data and comments on proposed rules to help address problems in the completion of long-distance telephone calls to rural customers. Call completion problems appear to occur particularly in rural areas served by rate-of return carriers, where the costs that long-distance providers incur to complete calls (terminating access charges) are generally higher than in non-rural areas. To minimize call termination charges, long-distance providers often use intermediate providers that offer to deliver calls to specified terminating providers at comparatively low cost, usually within defined service quality parameters. Rural associations suggest that the call completion problems may arise from the manner in which originating providers set up the

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<sup>1</sup> In the Matter of Rural Call Completion, *Notice of Proposed Rulemaking*, WC Dkt. No. 13-39 (FCC 13-18); rel. February 7, 2013.

signaling and routing of their calls, and that many of these call routing and termination problems can be attributed to intermediate providers.

The problems manifest themselves in lengthy periods of dead air on the calling party's end after dialing a number, audible ringing tones on the calling party's end when the called party's telephone never rings at all, false busy signals, inaccurate intercept messages, and the inability of one or both parties to hear the other when the call does go through. These problems cause rural businesses to lose customers, cut families off from their relatives in rural areas, and create potential for dangerous delays in public safety communications in rural areas.

Although the FCC has made it clear that carriers are prohibited from blocking, choking, reducing, or restricting telephone traffic, the problem has not gone away.

In this proceeding, the FCC is considering measures to improve its ability to monitor the delivery of long-distance calls to rural areas and aid enforcement action in connection with providers' call-completion practices. Specifically, the FCC seeks comment on reporting and data retention requirements, and on how to minimize the burden of compliance with the proposed rules.

### **DISCUSSION:**

Rural customers in California have been experiencing call completion problems. In late 2012 through early February 2013, the Communications Division collected, via a data request to our rural incumbent local exchange carriers, information regarding the frequency of intrastate call completion failures. Ten of the 14 carriers reported a combined 213 non-terminated calls over a period of several weeks, 64 of which were reported as *interstate* calls, and 149 reported as *intrastate* calls. This data indicate that approximately 30% of the non-terminated calls originated from out-of-state numbers. Although the problem may not be as acute in California as in some of the other states with higher access charges, it is clear that the problem does indeed exist in California.

Therefore staff recommends that the CPUC submit comments as follows:

- 1) The CPUC should support the FCC's proposal to require facilities-based originating long-distance voice service providers to collect and report to the FCC detailed data on call answer rates. As proposed by the FCC, "originating long-distance voice service providers" would include local exchange carriers, interexchange carriers, commercial mobile radio service (CMRS) providers, and interconnected VoIP service providers.

- 2) The CPUC should urge the FCC to start enforcing its rules. The inability to complete long-distance calls to California's rural customers is a significant threat to the integrity of the public switched telephone network and has the potential to compromise public safety. Accordingly, staff proposes the CPUC recommend that the FCC act as soon as possible to halt any industry malpractices that contribute to the problem, and penalize carriers as appropriate.
- 3) The CPUC should urge the FCC to give states access to carrier data filed with the FCC that are specific to their respective states. States can take action when the non-completed calls are intrastate calls and can work with the FCC to help put an end to this problem.

Staff seeks authority to submit comments on behalf of the CPUC that would address the issues set forth here.

Assigned staff: Communications Division – Adam Clark (AJC, 703-5212) and Felix Robles (FVR, 703-2801); Legal Division –Kimberly Lippi (KJL, 703-5822)