PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division
Carrier Oversight & Programs Branch

RESOLUTION T-17547 August 10, 2017

<u>RESOLUTION</u>

Resolution T-17547 Approves the Temporary Support Service Agreement Submitted by Frontier Communications of America, Inc. (U-5429-C) in Advice Letter No. 119 as an Interconnection Agreement

SUMMARY

This resolution approves the Temporary Support Service Agreement filed by Frontier Communications of America, Inc. in Advice Letter No. 119 as an Interconnection Agreement pursuant to §§ 251 and 252 of the Federal Telecommunications Act.

The Commission has determined that the Temporary Support Service Agreement is an interconnection agreement subject to §§ 251 and 252 of the Federal Telecommunications Act.

BACKGROUND

The Commission, in Decision 15-12-005, approved the joint application of Frontier Communications Corporation, Frontier Communications of America, Inc., Verizon California Inc., Verizon Long Distance, LLC., and Newco West Holdings, LLC., for approval of the sale and transfer of Verizon California, Inc. together with certain assets held by it and the customer accounts of Verizon Long Distance, LLC., in the service territory of Verizon California, Inc., to Frontier Communications Corporation.

The Commission, however, imposed certain conditions on the sale and transfer of the described property and also approved various related settlements between Frontier Communications Corporation and protesters. The Decision, in Ordering Paragraph No. 7, required Frontier to file with the Commission a Tier I Advice Letter (AL) disclosing the terms of its recently signed interconnection agreement with Verizon Business, including a fully executed copy of the agreement as an exhibit, which the Commission shall review to determine whether or not it is an interconnection agreement subject to the filing, approval and opt-in requirements of § 252 of the Federal Telecommunications Act.

On February 26, 2016, Frontier Communications of America, Inc. (Frontier), on behalf of Citizens Telecom Services Company L.L.C. (CTS), filed a Tier 3 AL No. 119¹ submitting a confidential Temporary Support Service Agreement for Internet Protocol (IP) Interconnection (Support Agreement) by and between CTS and MCI Communications Services Inc. d/b/a Verizon Business (Verizon Business) that was executed by the parties on February 17, 2016.

In its filing, Frontier indicated that the Support Service Agreement is not an interconnection agreement pursuant to which Frontier, through Verizon California Inc. or any other affiliate, will be providing a service to or exchange traffic with other carriers. Frontier represented that the Support Service Agreement is a temporary support services contract involving Frontier's purchase of Session Initiation Protocol (SIP) carrier transiting and interconnect services from Verizon Business to facilitate the exchange of certain SIP traffic with five parties that had previously established arrangements to exchange SIP voice traffic pursuant to an Internet Protocol Interconnection Agreement for Certain Voice Traffic with Verizon Services Corp. on behalf of itself and its Incumbent Local Exchange Carrier (ILEC) subsidiaries and affiliates. Frontier asserted that the Support Service Agreement will ensure a continuation of existing service arrangements for exchanging SIP voice traffic that is unique and specific to Frontier as the recipient of commercial services from Verizon Business. The agreement will only remain in effect on a temporary basis for approximately one year or until the traffic for these five parties is transitioned directly to Frontier's network and systems. Thus, Frontier requested that the Commission consider the Support Service Agreement as not an interconnection agreement subject to the filing, approval, and opt-in requirements of § 252 of the Federal Telecommunications Act.

On March 3, 2016, the Communications Division (CD) sent an email to Frontier asking Frontier to submit a supplement to the AL attaching a proposed protective order that already declared such information to be confidential, or attach a proposed protective order with their AL filing. In addition, CD advised Frontier that the supplemental filing should follow the steps outlined in § 9.3 of GO 96-B "Procedure for Establishing Confidentiality".

On March 7, 2016, Frontier filed AL No. 119A, as a supplement to AL No. 119, in accordance with CD's instructions. In its supplemental filing, Frontier also requested that the fully un-redacted copy of the Support Service Agreement filed with the

¹ Although OP 7 required Frontier to submit a Tier 1 AL, Frontier submitted a Tier 3 AL. Under General Order 96-B industry Rules 7.3 and 8.1, interconnection agreements are to be filed as Tier 3 ALs. Frontier consulted the Communication Division (CD) and CD confirmed that the filing be submitted as a Tier 3 AL.

Commission on February 26, 2016, be held under seal in the Commission's files for at least three years.²

Frontier's AL No. 119 and AL 119A were noticed on the Commission's Daily Calendar on March 7 and March 11, 2016, respectively. There were no protests filed on AL No. 119 and AL 119A.

DISCUSSION

In so far as it concerns an ongoing obligation to provide resale, number portability, dialing parity, access to rights of way, and reciprocal compensation, CD disagrees with Frontier's assertion that this is not an interconnection agreement. Rather, CD has determined that the agreement submitted by Frontier in its AL filing is an interconnection agreement as it is consistent with §§ 251 and 252 of the Federal Telecommunications Act's definition of interconnection agreement.

The Communications Division notes that Part 20 of the Agreement states:

"20.1 The Parties agree that this Agreement is not subject to Sections 251, 252, or 271 of the Act, including without limitation, any requirement to negotiate, mediate, or arbitrate this Agreement pursuant to Section 252 of the Act, or to file this Agreement with any state utility commission, the FCC or elsewhere, except as provide for in Section 5.11.1, above.

20.2. In the event the Parties are required to file this Agreement pursuant to Section 252 of the Act and Commission rejects (or will not approve) this Agreement, either Party may: (a) terminate this Agreement on five (5) Business Days written notice; or (b) If not terminated, request renegotiation of an amendment to cure any deficiencies identified by the Commission."

However, Part 20 of the Agreement cannot supersede §§ 251 and 252 (e) of the Federal Telecommunications Act, or the jurisdiction of the Commission to approve interconnection agreements.

RECOMMENDATION

Based on the above discussion, CD recommends that the Commission approve the Temporary Support Agreement as an interconnection agreement as defined in §§ 251 and 252 of the Federal Telecommunications Act.

² According to Frontier the disclosure of the redacted information would subject the signatories to an unfair business disadvantage, in contravention of General Order 66-C, Section 2.2(b).

COMMENTS

In compliance with Public Utilities Code § 311(g), a notice of availability was e-mailed on to July 11, 2017, informing all parties on AL No. 119 service list of the availability of the draft of this resolution for public comment at the Commission's website at http://www.cpuc.ca.gov/documents/. This notice also informed parties that the final conformed Resolution adopted by the Commission will be posted and be available at this same website.

FINDINGS

- 1. The Commission, in Decision (D.) 15-12-005 approved the joint application of Frontier Communications Corporation, Frontier Communications of America, Inc., Verizon California Inc., Verizon Long Distance, LLC., and Newco West Holdings, LLC., for approval of the sale and transfer of Verizon California, Inc. together with certain assets held by it and the customer accounts of Verizon Long Distance, LLC., in the service territory of Verizon California, Inc., to Frontier Communications Corporation. The Commission, however, imposed certain conditions on the sale and transfer of the described property and also approved various related settlements between Frontier Communications Corporation and protesters.
- 2. Ordering Paragraph No. 7 of D. 15-12-005 required Frontier to file a Tier I Advice Letter (AL) disclosing the terms of its recently signed interconnection agreement with Verizon Business, including a fully executed copy of the agreement as an exhibit, which the Commission shall review to determine whether or not it is an interconnection agreement subject to the filing, approval and opt-in requirements of § 252 of the Federal Telecommunications Act.
- 3. On February 26, 2016, Frontier Communications of America, Inc. filed Tier 3 AL No. 119 submitting a confidential Temporary Support Service Agreement for Internet Protocol (IP) Interconnection (Support Agreement) by and between Citizens Telecom Services Company L.L.C. (CTS) and MCI Communications Services Inc. d/b/a Verizon Business (Verizon Business) that was executed by the parties on February 17, 2016.
- 4. Frontier Communications of America requested that the Commission consider the Support Service Agreement as not an interconnection Agreement subject to the filing, approval, and opt-in requirements of § 252 of the Federal Telecommunications Act for the following reasons:
 - Frontier Communications of America, through Verizon California Inc. or any other affiliate, will be purchasing Session Initiation Protocol (SIP) carrier transiting and interconnect services from Verizon Business to facilitate the exchange of certain SIP traffic with five parties that had previously established

- arrangements to exchange SIP voice traffic pursuant to an Internet Protocol Interconnection Agreement for Certain Voice Traffic with Verizon Services Corp. on behalf of itself and its ILEC subsidiaries and affiliates.
- The Support Service Agreement will only remain in effect on a temporary basis for approximately one year or until the traffic for the five parties is transitioned directly to Frontier's network and systems.
- 5. On March 7, 2016, Frontier Communications of America, Inc. filed a supplement to AL No. 119 attaching a proposed protective order and further requested that the fully un-redacted copy of the Support Agreement filed on February 26, 2016 be held under seal in the Commission's files for at least three years.
- 6. The Communications Division reviewed the Agreement submitted and determined that the Temporary Support Service Agreement submitted by Frontier Communications of America, Inc. is an interconnection agreement as defined in §§ 251 and 252 of the Federal Telecommunications Act.
- 7. The inclusion of part 20 of the Temporary Support Service Agreement stating that it is not subject to §§ 251, 252, or 271 of the Act, cannot supersede §§ 251 and 252 (e) of the Federal Telecommunications Act.
- 8. The Commission should approve the Temporary Support Service Agreement as an interconnection agreement as defined in §§ 251 and 252 of the Federal Telecommunications Act.

THEREFORE, IT IS ORDERED that:

1. The Commission approves the Temporary Support Service Agreement filed by Frontier Communications of America, Inc. in Advice Letter No. 119 as an Interconnection Agreement pursuant to §§ 251 and 252 of the Federal Telecommunications Act.

This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 10, 2017. The following Commissioners approved it:

TIMOTHY J. SULLIVAN Executive Director