

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking for the
Purpose of Reviewing and Potentially
Amending General Order 156 and to Consider Other
Measures to Promote Economic Efficiencies
of an Expanded Supplier Base and to Examine the
Composition of the Utilities' Workforce.

R.09-07-027
(Filed July 30, 2009)

**VERIZON CALIFORNIA INC. AND VERIZON WIRELESS OPENING
COMMENTS ON THE PROPOSED DECISION OF ALJ DARLING**

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Pursuant to Rule 14.3(a), Verizon California Inc. (U 1002 C) and Verizon Wireless¹ (collectively, Verizon) submit these opening comments on the Proposed Decision of ALJ Darling (Proposed Decision or PD).

I. INTRODUCTION

Verizon commends the assigned Administrative Law Judge for fully digesting a large body of information in the record developed through responses to questions, comments on policy issues, workshops, the en banc and the post-en banc pleadings. The Proposed Decision of ALJ Darling strikes the right balance by encouraging all parties—the utilities, the communications companies, staff, the community based organizations, the ethnic chambers of commerce and the clearinghouse—to recommit efforts to achieving the State of California and Commission’s diversity goals and forbearance from specific requirements prohibited by law.

The recommended decision proposes to implement Assembly Bill 2758 (enacted September 29, 2010). While Verizon does not object to the elements of AB 2758, implementation in this proceeding would constitute legal error because—despite the robust record on other matters—no record has been developed on the specific changes related to AB 2758 implementation. If the Commission’s Legal Division approves of the PD notwithstanding this legal error, Verizon recommends clarifying the new Section 9.1.10 of the General Order 156.

¹ Verizon Wireless is the d/b/a for the following entities doing business as Verizon Wireless in California: Celco Partnership (U-3001-C), California RSA No. 4 Limited Partnership (U-3038-C), Fresno MSA Limited Partnership (U-3005-C), GTE Mobilnet of California Limited Partnership (U-3002-C), GTE Mobilnet of Santa Barbara Limited Partnership (U-3011-C), Los Angeles SMSA Limited Partnership (U-3003-C), Modoc RSA Limited Partnership (U-3032-C), Sacramento Valley Limited Partnership (U-3004-C), Verizon Wireless (VAW) LLC (U-3029-C) and WWC License L.L.C. (U-3025-C).

II. THE COMMISSION SHOULD CLARIFY ASPECTS OF NEW SECTION 9.1.10.

The PD recommends adoption of a new section 9.1.10 to implement AB 2758's provisions regarding certain energy and communications procurement categories.

Specifically, Section 9.1.10 states:

Utilities shall summarize WMDVBE purchases and/or contracts in product and service categories that include renewable and nonrenewable energy, wireless communications, broadband, smart grid, and rail projects, in addition to their current reporting categories. Utilities have discretion to segregate overlapped dollars. Utilities shall report renewable and nonrenewable energy procurement in a manner similar to their reporting of fuel procurement.

This section needs clarification on several fronts. First, it is not clear whether the Commission intends the reporting requirement related to renewable energy to apply only to electric utilities. If that is the intent, then Section 9.1.10 should clearly specify that only electric utilities are required to report on this procurement category.

Second, it is not clear what reporting categories are required with respect to wireless communications and broadband.

Is the Commission seeking reports on procurement of any type related to wireless telecommunications and broadband? Is it a report on wireless or broadband service contracts, equipment contracts, and/or infrastructure deployment? For example, Verizon provides both broadband services and infrastructure. The infrastructure—fiber cables—is used for voice, data and video. Verizon already reports on the use of diverse suppliers related to the deployment of fiber cable (without any reference to the uses fiber might have). Is Section 9.1.10 meant to request a second and separate report just on fiber deployment? Broadband service is also provided over copper. Is the Commission suggesting that communications companies report on all copper deployment (which it

already does) or just copper that is conditioned for DSL use? If just for conditioning, then this report requirement misses the mark because such conditioning is not a procurement or service category *per se*, as it is virtually always done with in-house employees. In any event, reporting on broadband infrastructure deployment would be duplicative, because communications companies already report on the use of diverse suppliers for fiber and copper deployment.

These questions highlight the perils of implementing statutory language without developing a record to determine the unintended pitfalls hidden in statutes. Verizon recommends careful reconsideration of Section 9.1.10. Otherwise, the reports that may result from this section may provide meaningless information that is useful to no one.

III. CONCLUSION

In summary, the Commission should clarify Section 9.1.10 to ensure that the reporting does not cause confusion and that the information obtained is meaningful and useful and not duplicative of other reporting in GO 156.

Dated: April 25, 2011

Respectfully submitted,

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