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REDACTED VERSION**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Carrier Branch**

**RESOLUTION T-16914
February 10, 2005**

R E S O L U T I O N

Resolution T-16914. Verizon California, Inc. (U-1002-C). Request to Grandfather Integrated Services Digital Network-Basic Rate Interface Single Line Residence service in Tariff Schedule Cal. P.U.C. No. A-25 and K-5.

By Advice Letter No. 10899, Filed on July 08, 2004.

Summary

This Resolution approves the request of Verizon California Inc. (Verizon) to grandfather Integrated Services Digital Network-Basic Rate Interface Single Line Residence service (ISDN-BRI Residence).

Background

By Advice Letter 10899 (Advice Letter), filed July 08, 2004, Verizon requests authority to grandfather ISDN-BRI Single Line Residence service in Tariff Schedule Cal. P.U.C. No. A-25 and K-5.

ISDN-BRI Residence is a set of standards which enable end-to-end digital transmission, access integration, and established standardization of points of interconnection over a single line. End-to-end digital transmission eliminates the necessity for voice-band modems that use analog processing techniques. Access integration refers to utilizing a single ISDN line, whereby an end user over one line can access a wide variety of user information services such as voice, circuit switched data, and packet-switched data. ISDN-BRI Residence is a Category II service that is offered at the rate of \$10.00 per month for measured service and \$17.25 per month for flat rate service.

Market demand for the service has declined as more robust alternatives have become available in the marketplace. The documentation that Verizon has provided shows that ISDN-BRI Residence subscriber figures have been in a constant decline. Verizon had

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ISDN-BRI Residence customers in January of 2001 as of July 2004 Verizon only had [REDACTED] remaining customers.

Typical prices for provisioning ISDN for Residence customers are at a minimum of \$353.00 for set up plus \$41.00 per month for a flat rated ISDN usage plan. The costs in the table below for ISDN service do not include internet access. Internet access must be purchased separately.

Typical ISDN scenario:		
	Non-recurring Charge	Monthly Charge
month-to-month flat service		17.00
VZ CA A-1, Sheet 10.2		
ISDN Access Charge		8.00
VZ CA A-25, Sheet 9,10		
ISDN 2 Voice / CSD Channels		16.00
VZ CA A-25, Sheet 9		
RJ45 Jack	30.00	
VZ CA K-1, Sheet 12.3		
Service Tech for one hour	85.00	
VZ CA K-1, Sheet 16.1.1		
Central Office Charge	23.00	
VZ CA A-41, Sheet 1		
Terminal Adapter	215.00	
From Verizon Equipment Sales		
Total	353.00	41.00

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To achieve the same functionality of ISDN service customers now have less expensive options such as DSL and Dial-Up internet access. The table below outlines the non-recurring and monthly costs associated with DSL and Dial-up service.

	DSL		Dial-Up	
	Non-recurring Charge	Monthly Charge	Non-recurring Charge	Monthly Charge
DSL Modem	39.95			
Shipping Charge	12.95			
Setup Fee			9.95	
Flat Rate Service		34.95		22.95
Total	52.90	34.95	9.95	22.95

Notice/Protests

Verizon indicates that copies of the Advice Letter were mailed to interested utilities and/or parties. Notice of Advice Letter No. 10899 was published in the Commission Daily Calendar of July 16, 2004. No protests to this Advice Letter have been received.

Verizon sent each affected customer a notice explaining that the service would be grandfathered and that they could continue receiving the service until they move or discontinue service.

No customer comments were received for Verizon’s proposal to grandfather ISDN-BRI Single Line Residence service.

Discussion

Verizon states that ISDN-BRI Residence service is no longer a desirable option for its Residence customers as the rates / costs associated with the service are not competitive. Services are now offered from competitors that provide equal or greater functionality at a reduced cost. DSL and Dial-Up internet access are examples of services that offer equal functionality to ISDN service at a startup cost of \$300 to \$340 less and at a monthly rate of \$6 to \$30 less respectively.

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By grandfathering this service, the existing customers will continue to receive the service, but the service will not be available to new customers after the effective date of the revised tariff. If the existing customer, subscribing to the service, moves or discontinues the service, then these offerings will no longer be available to the customer.

The Telecommunications Division (TD) has reviewed the support material provided by Verizon for its proposal to grandfather ISDN BRI Residence service and finds Verizon's request to be reasonable. Therefore, TD recommends that the Commission approve Verizon's request to grandfather ISDN-BRI Residence service for the reasons stated above.

We find TD's recommendations to be reasonable.

Commission approval of TD's recommendations is based on the specifics of this Advice Letter and its associated tariff sheets, and does not establish a precedent for the contents of future filings or for Commission approval of similar requests.

Comments on DRAFT Resolution

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU code Section 311(g) (2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings

1. Verizon is currently offering ISDN-BRI Single Line Residence service in Tariff Schedule Cal. P.U.C. No. A-25 and K-5.
2. Today, there are many alternatives to ISDN-BRI Single Line Residence service in telecommunications markets.
3. The affected customers were notified that the service would be grandfathered and that they could continue to receive the service until they moved or discontinued the service.
4. None of the customers protested or commented on Verizon's proposal to grandfather ISDN-BRI Single Line Residence Service.
5. After its review, TD recommends that the Commission approve Verizon's filing to grandfather ISDN-BRI Single Line Residence service.

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THEREFORE, IT IS ORDERED that:

1. Verizon California, Inc.'s Advice Letter No. 10899, requesting authority to grandfather ISDN-BRI Single Line Residence service in Tariff Schedule Cal. P.U.C. No. A-25 and K-5 is granted.
2. The tariff sheets attached to Advice Letter 10899 shall be marked with the effective date of the grandfathering of ISDN-BRI Single Line Residence service and indicate that that they were made effective by Resolution T-16914.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on February 10, 2005. The following Commissioners approved it:

STEVE LARSON
Executive Director