

Decision 08-04-042 April 10, 2008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Comcast Phone of California, LLC
(U-5698- C) for Authority to Discontinue
Telecommunications Services in the State of
California.

Application 07-11-014
(Filed November 20, 2007)

**OPINION ADDRESSING APPLICATION OF COMCAST PHONE
OF CALIFORNIA, LLC FOR AUTHORITY TO DISCONTINUE
TELECOMMUNICATIONS SERVICES IN THE STATE OF CALIFORNIA**

Summary

This opinion authorizes Comcast Phone of California, LLC (Comcast Phone-CA or Applicant) to discontinue the provision of local exchange and intrastate interexchange voice telecommunications services in Northern California. Applicant has complied with the Mass Migration Guidelines (Guidelines) adopted by Decision (D.) 06-10-021. Applicant's remaining customers who have not selected another carrier will be transferred to Pacific Bell Telephone Company, doing business as AT&T California (AT&T California).

Background

Applicant is authorized by D.99-03-019 to provide facilities-based and resold local exchange and interexchange telecommunications services in California.¹

¹ The certificate of public convenience and necessity (CPCN) was originally granted to TCI Telephony Services of California, Inc. in D.96-10-064. The facilities-based CPCN

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Applicant filed Application (A.) 07-11-014 on November 20, 2007, requesting authorization to discontinue the provision of local exchange and intrastate interexchange telecommunications services in 65 Northern California cities². Notice of the application appeared in the Commission's Daily Calendar on November 28, 2008.³ On December 28, 2007, SureWest Telephone (SureWest) filed a protest urging the Commission to revoke Applicant's CPCN as a condition of granting its withdrawal of service request. AT&T California filed a response to the application, requesting to be designated the default carrier for Applicant's customers.

Applicant proposes to discontinue providing regulated local exchange and interexchange voice telecommunications to approximately 12,906 customers in

was acquired from AT&T Corp. by the renamed AT&T Broadband Phone Company of California, Inc. (AT&T Broadband Phone) in the above-cited D.99-03-019. In D.02-11-025, AT&T Broadband Phone merged with Comcast Business Communications, Inc. and became Comcast Phone-CA. Comcast Phone-CA acquired additional limited facilities-based authority for the service territories of SureWest Telephone and Citizens Telephone Company (dba Frontier Communications Company of California) in D.05-12-031.

² Alamo, Belvedere/Tiburon, Berkeley, Clayton, Cloverdale, Clyde, Colma, Concord, Corte Madera, Crockett, Cupertino, Daly City, Danville, Dublin, El Sobrante, Emeryville, Fairfax, Forest Knolls, Fremont, Geyserville, Greenbrae, Healdsburg, Hercules, Kentfield, Lafayette, Lagunitas, Larkfield, Larkspur, Livermore, Los Altos, Martinez, Mill Valley, Monte Rio, Moraga, Mountain View, Oakland, Orinda, Penngrove, Petaluma, Piedmont, Pinole, Pleasant Hill, Pleasanton, Port Costa, Richmond, Rio Nido, Rodeo, Ross, San Anselmo, San Francisco, San Jose, San Mateo, San Pablo, San Quentin, San Rafael, San Ramon, Santa Clara, Santa Rosa, Sausalito, Sunnyvale, Sunol, Tiburon, Walnut Creek, Windsor, and Woodacre.

³ Comcast Phone-CA amended its Application on November 28, 2007. The amended Application appeared in the Daily Calendar on December 4, 2007.

the selected cities throughout Northern California. Applicant seeks to discontinue service on or before April 15, 2008.

Compliance with the Guidelines

The Commission's requirements governing the discontinuance of telecommunications services by competitive carriers such as Applicant are set forth in D.06-10-021. That decision adopted Guidelines that apply when a CLEC files an application to discontinue providing local exchange services to its customers (exiting CLEC).⁴ The Guidelines give the exiting CLEC's customers the opportunity to migrate to another local exchange carrier without interruption of service.

The Guidelines require the filing of an application for discontinuance of service that includes an exit plan, notification of carriers potentially affected by the discontinuance of service, and customer notification. Customers must be notified 60 days in advance of the final service termination date and a second notice must be given to customers who have not taken action to select a carrier.

The Guidelines also provide a mass migration process, including determining an overall program manager, and submitting customer list information and progress reports to Commission staff. The Guidelines incorporate procedures for transferring NXX codes⁵ and unlocking telephone numbers in the E-911 database. Finally, the Guidelines establish criteria for

⁴ Prior to adoption of D.06-10-021, we handled CLEC exit issues on a case-by-case basis, although we established requirements for utilities to provide customer notification when withdrawing service or transferring customers. (See D.02-01-038.)

⁵ An "NXX Code" is a block of 10,000 telephone numbers represented by the second set of three digits of a telephone number. An NXX Code is also referred to as a "prefix."

Commission approval of a CLEC's termination of service and for appointing a default carrier in situations where the exiting carrier has not found an arranged carrier to serve the customers who have not selected another carrier. We address Applicant's compliance with the Guidelines below.

Exit Plan

An exiting CLEC must file an application to withdraw from service and must continue to provide service until the Commission approves the application. The application must contain an exit plan, and be filed with the Commission at least 90 days in advance of the proposed date for the CLEC's discontinuance of service.

Applicant filed its application and exit plan on November 20, 2007, and amended them eight days later. It supplemented the application when requested, to be in compliance with our requirements. The Commission's Communications Division (CD) has reviewed the exit plan, and worked with Applicant to revise the plan.⁶ The revised exit plan provides for a March 10, 2008 and an April 15, 2008 "Joint Notice"⁷ to ensure Applicant's remaining customers receive adequate notice⁸ before their service is discontinued. CD has determined that Applicant's revised exit plan satisfies our requirements. Therefore, Applicant's exit plan is adequate and timely filed.

⁶ The CD was formerly named the Telecommunications Division.

⁷ The "cut-off date" is the date Comcast Phone-CA can start placing its customers on "soft dial tone." "Soft dial tone" is audibly the same as a regular one, except that there is actually no active service on the line.

⁸ The February 6, 2008 Customer Notice advised customers of the need to make a change in providers by April 15, 2008.

Industry Notification

At the same time, an exiting CLEC files its application and exit plan with the Commission, it must serve the documents on any carrier with whom it has arranged to assume Applicant's customers (arranged carrier), all local exchange carriers known to provide service in the affected area, all underlying network service providers used by the exiting CLEC, any other parties to whom the exiting CLEC is required to give notice under related interconnection, resale, or service agreements, and the CD.

Applicant stated in its initial exit plan that it did not have an arranged carrier, but would be contacting existing carriers to alert them of the planned discontinuance and to coordinate a notification and customer service process with them. It maintained that it would be contacting AT&T California, the carrier of last resort (COLR), to ensure that AT&T California's customer service representatives would be able to respond to the inquiries and service requests of the Comcast Phone-CA customers whose service will be discontinued. Applicant noted that it was serving its affected customers on facilities that it supplies. On March 4, 2008, Applicant submitted a letter memorializing an agreement that it had reached with AT&T California setting forth the process they would follow in transitioning Applicant's remaining customers.⁹

The CD has determined that Applicant's industry notification satisfies our requirements. Thus, Applicant has satisfied our industry notification requirements.

⁹ The letter is appended to this decision as Appendix A.

Timetable for Customer Notification

The Guidelines require the exiting CLEC to notify customers 60 days in advance of the final service termination date.¹⁰ The notification letter must comply with FCC and Commission requirements including a listing of the service rates and terms of any arranged carrier named in the notice. Applicant mailed written notices to all of its affected customers on December 10, 2007, January 9, 2008 and February 26, 2008.¹¹ The February notification included the required Federal Communications Commission (FCC) language. With these mailings, Applicant has met our requirement to notify customers 60 days in advance.

Contents of the Customer Notice

The Guidelines specify certain information that must be included in the exiting CLEC's customer notice letters so that customers are adequately informed of the proposed termination of service, their need to take prompt action, and their right to choose an alternative carrier. A second notice must be given to each customer who has not taken action to select a replacement carrier. If there is a default carrier, the second or subsequent notice must provide its name and toll-free contact number, and must allow customers 30 days to select a new local exchange carrier.

¹⁰ And, when applicable, any arranged carriers should notify customers jointly with applicant 60 days in advance. *See*, Guidelines at Section V (A), *mimeo.* at p. 6.

¹¹ Applicant mailed a joint notice identifying AT&T California as COLR on March 10, 2008.

We require customer notice to be provided in the language used to sell the services.¹² In addition, CLECs, arranged carriers, and/or default carriers must submit notification letters to the Commission's Public Advisor and the CD for approval.

The application included copies of the initial notice letters¹³ containing the information required by our Guidelines. Applicant submitted copies of its joint notice for Commission approval on February 28, 2008. The CD and the Public Advisor have reviewed Applicant's notices and determined that the notices comply with our requirements concerning the content of customer notifications.

Mass Migration Process Coordination

The Guidelines require exiting CLECs to have an overall program manager responsible for coordinating the mass migration. Applicant's exit plan identifies and provides contact information for its project manager, and therefore satisfies this requirement.

Customer List and Customer Service Records (CSR)

At least 60 days prior to the projected cut-off date, the exiting CLEC must submit its customer list to the Commission. Carriers' submission of customer lists and staff use of or disclosure of customer list information are subject to applicable laws and regulations relating to public disclosure of records, confidential trade secret status, and privacy protections. On February 25, 2008, Applicant submitted its customer list to CD. Applicant submitted its customer list 50 days prior to the projected cut-off date, less than the required 60 days.

¹² D.96-10-076.

¹³ English version.

However, Applicant provided the necessary information with sufficient lead time to allow staff to assess the nature of the customers being transferred, track the progress of the migration, and facilitate the customer migration process.

Exiting CLECs must also have available the CSR data elements specified in the Guidelines that are needed to enable any carrier to migrate the exiting CLEC's customers seamlessly. Applicant states that its CSRs¹⁴ are being kept and maintained in computerized, data-storage inventory systems. After the customers' cut off date has passed for selecting an alternate carrier, Applicant advises that it will develop a list containing the noted CSR information and provide it to alternate carrier(s) via electronic file transfer. This list will contain and identify Applicant's customers who have not actively made a selection of a local exchange carrier and will be used by the alternate carrier(s) as the trigger to commence mass migrations from Applicant's local service platform to the local service platform of the alternate carrier(s). Then, Applicant will supply the CSR information to those alternate carriers taking customers in accordance with the existing interconnection agreements. Accordingly, Applicant has satisfied our requirement to have available the CSR data elements needed to enable any carrier to migrate Applicant's customers seamlessly.

Progress Reports

Our Guidelines require an exiting CLEC to track the progress of the migrations and provide CD with progress reports. Applicant has worked

¹⁴ There are eight data elements associated with the CSRs: billing account number, working telephone number(s), customer billing name, customer billing address (same as Service Address), Service Type (e.g., Local Wholesale Complete or Telephone Service Request), Telephone Number Service Codes, Class of Service (residential only), and Customer directory listings.

cooperatively with CD in this matter, and has provided accurate and timely reports when required. Thus, Applicant has satisfied our requirements to track the progress of the migrations and provide progress reports.

NXX Code Transfers

An exiting CLEC must make transfer arrangements with the telephone numbering administrator at least 66 days prior to the migration (or by such earlier date as may be specified by the code administrator) for any NXX codes or thousand number blocks assigned to it. Applicant states that it intends to retain its NXX codes because its affiliate will be using them for “the digital product.”¹⁵ Comcast Phone-CA will “rehome”¹⁶ its assigned NXX codes and blocks from AT&T’s switches once an NXX code drops below a 10% utilization threshold on the AT&T switches.¹⁷ Applicant will provide CD with a copy of the associated NXX Code Administrator documentation, if requested. The NXX code transfer requirement is inapplicable when, as here, Applicant intends to retain its NXX codes.

E-911

Our Guidelines require an exiting CLEC to unlock all of its telephone numbers in the E-911 database, consistent with the National Emergency

¹⁵ The Voice over Internet Protocol (VoIP) telephone service.

¹⁶ Rehoming is a major network change which involves moving a customer's local loop termination from one Central Office wire center to another. Rehoming generally involves the re-termination of private line facilities, although it can simply involve local termination for purposes of access to switch services. Rehomes also can be for the purposes of the carrier, perhaps in connection with the switch upgrade or switch move/decommission. *Newton's Telecom Dictionary* at p. 659 (1999).

¹⁷ February 4, 2008 Progress Report in response to CD Staff inquiries.

Numbering Association's standards. This will allow any new local service provider access to its new end users' E-911 records. An exiting CLEC must also submit a letter to the appropriate E-911 service provider at least 30 days prior to exiting the market authorizing the E-911 service provider to unlock any remaining E-911 records after the CLEC has exited the market. Applicant advises that since this withdrawal will not culminate in a forced migration, it does not contemplate unlocking the 911 database. Instead, Applicant will respond to any Master Street Address Guide request to delete records when and if any customer changes provider. Applicant has met our E-911 requirements.

Criteria for Commission Approval of a Carrier's Termination of Service

A CLEC must continue providing local exchange service until its application to withdraw service is approved by the Commission. In deciding whether to approve a CLEC's application we consider the progress made toward migrating customers, the availability of alternatives, and the nature of the customer base that is in jeopardy of losing local service.

On December 28, 2007, SureWest filed a protest in this proceeding, asserting that the Commission should not permit Applicant to retain its CPCN after it discontinues what Applicant describes as "the provision of *regulated* local exchange and interexchange voice"¹⁸ telecommunications services. Otherwise, SureWest asserts, Applicant will no longer be a telecommunications carrier, but will have the associated rights and privileges¹⁹ of one. SureWest also contends

¹⁸ Emphasis in the original.

¹⁹ SureWest Telephone lists the associated benefits of a CPCN as: (1) the ability to directly access North American Numbering Plan resources; (2) the ability to charge local end office switching charges (despite the fact that no local end office switching will

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that Applicant will gain competitive advantage, through reduced regulation and fewer fees, by migrating to a VoIP platform. Applicant's advantage will be over incumbent and competitive local exchange carriers as well as stand-alone VoIP providers. Consequently, SureWest urges the Commission to revoke the CPCN as a condition of approval of Comcast's Application.²⁰

Applicant replied that SureWest's protest lacked substantive merit, was procedurally defective, and anti-competitive.²¹ It argued that SureWest never states that any public harm would result from the proposed discontinuance, because none would. Instead, Applicant maintains, migration to a VoIP platform will allow it to offer more advanced features than it could through the circuit-switched network. Applicant also contends that under their interconnection agreement, SureWest should have raised the issue of its status as a telecommunications carrier with it. Applicant further suggests that as a direct competitor, SureWest benefits from slowing down Applicant's movement to VoIP.

We agree that SureWest is not confined to the Dispute Resolution procedures contained in the interconnection agreement between Applicant and it in raising the question of whether or not Comcast Phone-CA should maintain its CPCN. SureWest asserts that once Applicant ceases to provide circuit-switched

occur); and (3) the ability to enter into Interconnection Agreements with Local Exchange Carriers.

²⁰ SureWest Telephone's Protest to Comcast Application to Discontinue Services at p. 3 (December 28, 2007).

²¹ Reply of Comcast Phone of California, LLC to SureWest Telephone Protest at p. 4 (January 28, 2008).

telecommunications services through Comcast Digital Phone (CDP), it will cease to be a telecommunications carrier in California because it will not be truly offering wholesale telecommunications services to the “public.”²²

However, Applicant contends that it will “continue to provide regulated access service.” And, it is not clear from either its Application or the Reply to SureWest’s Protest that Applicant intends to provide wholesale telecommunications services in support of only its affiliate VoIP provider. Applicant also maintains that “it has plans to make other offerings available, as well.” It does not state that these offerings will be solely directed at its affiliate VoIP provider. Consequently, based on these contentions alone, we cannot find that Applicant will cease to be a telecommunications carrier when it discontinues offering services through CDP. Thus, we deny SureWest’s request. But in denying SureWest’s request, we acknowledge that the regulatory status of VoIP providers in California remains an issue for resolution through the appropriate procedural vehicle. The Commission anticipates it will need to look closely at this regulatory question in the near future.

In its February 4, 2008 Progress Report, Applicant indicated that 6,497 customers (over 50% of its originally affected customers) had switched to an alternate local service carrier, or had otherwise made firm arrangements to

²² See *In the Matter of Time Warner Cable Request for Declaratory Ruling that Competitive Local Exchange Carriers May Obtain Interconnection Under Section 251 of the Communications Act of 1934, as Amended, to Provide Wholesale Telecommunications Services to VoIP Providers*, Memorandum Opinion and Order, Federal Communications Commission WC-Docket No.06-55 (March 1, 2007).

switch to another local carrier.²³ By February 28, 2008, 8,734 customers had switched to alternate carriers.²⁴ Presently, there is more than one alternative carrier available to Applicant's customers, and those customers who have not switched to another local carrier should easily be able to obtain alternate local service. Also, as discussed below, a default carrier has been designated to serve any of the Applicant's remaining customers who have not selected another carrier. We find Applicant meets the Commission's criteria for discontinuance of a carrier's service; therefore, we grant Applicant's request.

Selection of a Default Carrier

When there is no arranged carrier and customers have not selected a new carrier in a reasonable period of time, the Commission may require that a default carrier provide service.²⁵ CLECs and incumbent local exchange carriers (ILECs) willing to serve as the default carrier must file a response within 15 days of the filing of the application and exit plan. Prospective default carriers must also note if they have any limitations on service, either by geographic area or type of service. The selected default carrier must be in compliance with Commission rules and regulations, and be able to serve the entire geographic service area of

²³ Applicant had approximately 178 Lifeline customers when it filed its application in November 2007. As of February 3, 2008, Applicant had 122 Lifeline customers remaining on its circuit-switched service.

²⁴ This is over 67% of its originally affected customers. As of February 25, 2008, Applicant had 91 Lifeline customers remaining on its circuit-switched service. February 25, 2008 Progress Report.

²⁵ The Commission may require compensation for the default carrier under some circumstances.

the exiting CLEC (with preference given to carriers that provide the type of service provided by the exiting carrier).

If no carrier volunteers, the default carrier will either be the underlying network service provider, the carrier of last resort²⁶ in the area being served, or a carrier that offers the same type of service as the exiting carrier, if the replacement carrier has the facilities to serve some or all of the exiting carrier's remaining customers.

On December 5, 2007, AT&T California filed a response to A.07-11-014, requesting designation as the default carrier for Applicant's customers in its franchise territory. No other carrier has volunteered to serve Applicant's customers, and no party has opposed the request. The CD recommends that AT&T California be designated the default carrier for Applicant's customers in its franchise territory. AT&T California is a COLR in the area where Applicant's affected customers are located, offers similar services to those of Applicant, and has facilities to serve Applicant's remaining customers.

Designating a default carrier is necessary because some of Applicant's customers have not yet selected a new carrier. As a result, on February 8, 2008, the assigned Administrative Law Judge (ALJ) issued a ruling designating AT&T California as the default carrier for Applicant's remaining customers. We affirm the ALJ's ruling.

In this situation, discontinuance of circuit-switched service and initiation of VoIP service, the technical specifics of customer transfer to the default carrier

²⁶ A carrier of last resort (COLR) is a public utility that is obligated to serve all the customers in a service area who request service. D.96-10-066 designated all ILECs as COLRs and established a process for designating CLECs to become COLRs.

differs from the technical specifics of transfer to the typical default carrier. The Guidelines seek to facilitate “the seamless transfer of end users when their carrier exits the market.”²⁷ In most instances, the customer transfer can occur regardless of the customer's failure to advise the exiting carrier of its wishes. Here, the technical requirements of discontinuing Comcast Phone-CA's circuit-switched service and continuing with AT&T California, the digital phone affiliate, or any other alternative carrier necessitates a “break” in the transfer. To minimize the impact of this break, Applicant has entered into an agreement with AT&T California to observe the following customer discontinuance procedures.²⁸

On March 15, 2008, Applicant shall be distributing the current 30-day joint notice prior to discontinuance, as required by the Commission, to its existing customers. Applicant will initiate soft dial tone²⁹ in two installments. Under the two-installment process,³⁰ Applicant will place half of its customers on soft dial tone on Day 1 of the discontinuance process, and place the remaining half on soft dial tone one week later.³¹ To assist in expediting any transfers of service,

²⁷ D.06-10-021, *mimeo.* at p. 19.

²⁸ The agreement, memorialized in a March 4, 2008 letter to the assigned ALJ, is attached to this decision as Appendix.

²⁹ Customers would have only the ability to make 911 calls and 611 calls to Applicant's customer service.

³⁰ Applicant plans on sending customers a further notice after March 10, since it will initiate the process in two installments, informing them when they will actually be placed on soft dial tone.

³¹ Applicant and AT&T California have agreed to an alternative process if the projections on March 15, 2008 indicate that there will be significantly more than 1,500

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Applicant has agreed to provide AT&T California a list of remaining customers. The two have further agreed that AT&T California may, should it choose to, contact these customers to offer service.³²

The agreement also provides that as the default carrier, AT&T California will not be required to contact Applicant's customers in order to offer them new service. Instead, Applicant's customers will secure new service by contacting the default carrier, or any other service provider they choose. Applicant states that when any customer placed on soft dial tone calls it and indicates that he or she wants to have AT&T California service initiated, it will provide the customer with AT&T California's customer service telephone number.

The third-party verification requirements of Pub. Util. Code § 2889.5 do not apply to Applicant's customer base transferred to AT&T California in this mass migration.

Applicability of Default Carriers' Tariff Provisions and Commission Requirements during Mass Migrations

Pursuant to the Guidelines, AT&T California's tariffed credit and collection procedures will apply to customers transferred to it as part of the mass migration process. AT&T California's other tariff provisions will apply when they do not conflict with these Guidelines and FCC requirements.

customers remaining on the network as of April 15, 2008. If there are significantly more than 1,500 existing customers, the two have agreed to meet and confer and utilize a process that would place 200 customers per day on soft dial tone.

³² Applicant and AT&T California have determined that this customer list will be provided upon the mailing of the current 30-day joint notice, and thereafter, on a weekly basis.

General Order (GO) 133-B exception reporting requires a carrier to file all quarterly reports addressing failure to meet service quality measures due to a mass migration 30 days after the quarter in which the migrations are completed. These failures are not subject to penalties.

Operations Support Systems (OSS) performance measurement reports must also be filed when due, but AT&T California may request relief from incentive payments should the mass migration process associated with this proceeding result in a failure to meet applicable performance measures.³³

Applicant states that it will cancel its residential circuit-switched voice tariff upon the discontinuance of service because it no longer will be providing circuit-switched voice telecommunications in California.

Categorization and Need for Hearings

In Resolution ALJ 176-3204, dated December 6, 2007, the Commission preliminarily categorized this proceeding as ratesetting and preliminarily determined that hearings are not necessary. Based on the record, we affirm that this is a ratesetting proceeding and that hearings are not necessary.

Comments on Proposed Decision

This is an uncontested matter in which the decision grants the relief requested. However, a collateral issue was disputed, therefore, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day

³³ D.02-03-023 adopted an OSS performance incentives plan to provide incentives for AT&T California to give CLECs equitable access to its OSS infrastructure. The plan measures, evaluates, and imposes monetary charges on AT&T California for OSS performance that could inhibit competition by disadvantaging the CLECs.

period for public review and comment was reduced to seven days. No reply comments were accepted. On March 26, 2008, Applicant filed comments noting inadvertent errors in the text. We have included the corrections in the final decision.

Assignment of Proceeding

Timothy Alan Simon is the assigned Commissioner and Jacqueline A. Reed is the assigned ALJ in this proceeding.

Findings of Fact

1. Applicant is authorized by D.99-03-019 to provide facilities-based and resold local exchange and interexchange telecommunications services in California.
2. Applicant requests authority to discontinue circuit-switched local exchange and interexchange telecommunication services to approximately 12,609 customers, and to cancel its residential circuit-switched voice tariff upon the discontinuance.
3. The Application to discontinue service in 65 northern California cities is unopposed, but SureWest contends that Applicant should be required to relinquish its CPCN as a condition for the grant of authority to discontinue circuit-switched telecommunications service
4. On December 5, 2007, AT&T California filed a request to be designated the default carrier for Applicant's customers. No other carrier has volunteered to serve Applicant's customers, and no party has opposed AT&T California's request.
5. AT&T California is a COLR in the area where Applicant's affected customers are located, offers similar services as those which Applicant seeks to discontinue, and has facilities to serve Applicant's remaining customers.

6. On February 8, 2008, the ALJ ruled that AT&T California is designated the default carrier to serve Applicant's remaining customers in its franchise territory who have not selected another carrier.

7. Applicant's revised exit plan is adequate and timely filed.

8. Applicant has satisfied the regulatory and industry notification requirements.

9. Based on SureWest's contentions alone, we cannot find that Applicant will cease to be a telecommunications carrier when it discontinues offering services through CDP, and we deny SureWest's request to revoke Applicant's CPCN as a condition of approving this application.

10. The regulatory status of Applicant's VoIP affiliate is unclear.

11. Applicant and AT&T California entered into an agreement regarding the customer discontinuance procedure they will follow.

12. A "soft dial tone" will minimize the impact of the interruption of local service that this type of discontinuance requires.

13. In a facilities-based situation, as present here, it is technically infeasible to force migrate customers to the default carrier.

14. Applicant has satisfied the requirements concerning the contents and timing of customer notification letters.

15. Applicant has met the mass migration process requirements.

16. Applicant has satisfied the Commission's requirements for the discontinuance of service.

17. Approximately 8,734 of Applicant's affected customers have voluntarily switched to other service providers.

18. None of Applicant's customers are in jeopardy of losing access to a local service provider. As the default carrier, AT&T California will serve Applicant's remaining customers that choose it as their carrier.

19. Applicant is in good standing with the Commission regarding its reporting and payment of surcharges and regulatory fees.

Conclusions of Law

1. This is a ratesetting proceeding.

2. There is no need for hearings.

3. AT&T California should be designated the default carrier for Applicant's remaining customers in its franchise territory.

4. The ALJ Ruling of February 8, 2007, designating AT&T California as the default carrier for Applicant's remaining customers in its franchise territory should be affirmed.

5. AT&T California's tariffed credit and collection procedures should apply to any of Applicant's customers transferred to it as the default carrier.

AT&T California's other tariff provisions should apply when they do not conflict with D.06-10-021 or FCC requirements.

6. AT&T California should be required to file all quarterly reports required under GO 133-B for failure to meet service quality measures due to a mass migration 30 days after the quarter in which the migrations are completed, but any failure to meet service quality measures due to a mass migration should not be subject to penalties.

7. OSS performance measurement reports should be filed when due, but AT&T California should be allowed to request relief from incentive payments if the mass migration process results in a failure to meet required measurements.

8. The third-party verification requirements of Pub. Util. Code § 2889.5 should not apply to Applicant's customers transferred to AT&T California.

9. Applicant should cancel its residential circuit-switched voice tariff upon the discontinuance of service because it will no longer be providing circuit-switched voice telecommunications services in the State of California.

10. Because timing is essential to the mass migration of telephone customers, this order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. The application of Comcast Phone of California, LLC (Comcast Phone-CA or Applicant) for authority to discontinue the provision of circuit-switched telecommunications services in California on April 15, 2008, and to cancel its residential circuit-switched voice tariff upon the discontinuance of service is granted.

2. Pacific Bell Telephone Company, doing business as AT&T California, is designated as default carrier for Applicant's remaining customers in its franchise territory.

3. AT&T California's tariffed credit and collection procedures shall apply to any of Applicant's customers transferred to it as the default carrier on or after March 15, 2008. AT&T California's other tariff provisions shall apply when they do not conflict with Decision 06-10-021 or Federal Communications Commission requirements.

4. AT&T California shall file all quarterly General Order 133-B reports addressing failure to meet service quality measures due to migrating Applicant's customers 30 days after the quarter in which the migration is completed. Failure

to meet service quality measures due to migrating Applicant's customers shall not be subject to penalties.

5. AT&T California shall file Operations Support Systems performance measurement reports when due. AT&T California may request relief from incentive payments if the mass migration process for Applicant's customers results in a failure to meet applicable performance measures.

6. The third-party verification requirements of Pub. Util. Code § 2889.5 shall not apply when Applicant's customers are transferred to AT&T California.

7. After April 15, 2008, Applicant shall begin to downgrade the service of its remaining customers to "soft dial tone." The downgrade to "soft dial tone" shall be done in two installments with customers receiving notice of the actual date of downgrade. Under the two-installment process, Applicant shall place half of its customers on soft dial tone on one day, and the remaining half on soft dial tone one week later. Applicant may discontinue service to a customer placed on soft dial tone after 21 days, provided that it notifies the Communications Division no less than five days after the discontinuance.

8. Comcast Phone-CA shall implement the agreement concerning customer discontinuance procedures set forth in the March 4, 2008 letter attached hereto as Appendix A.

9. Applicant shall file an advice letter, effective on one-day notice, cancelling its residential circuit-switched voice tariff on file with the Commission, as soon as its circuit-switched telecommunications services are discontinued.

10. Application 07-11-014 is closed.

This order is effective today.

Dated April 10, 2008, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Commissioners