

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Carrier Branch**

**RESOLUTION T-16873
September 23, 2004**

RESOLUTION

Resolution T-16873. Verizon California Inc. (U-1002-C) Requests Authority To Revise Its Schedules Cal. P.U.C. Nos. A-46 and K-5, To Withdraw Multi-Media Data Service (MMDS) Due To Its Equipment Vendor Withdrawing Support For Parts, Technical Assistance, And Repair Of Various Equipment Components Needed To Provide This Service.

By Advice Letter No. 10854, Filed May 11, 2004.

Summary

This Resolution authorizes Verizon California Inc. (Verizon) to revise its Schedules Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) due to Verizon's equipment vendor ADC withdrawing support for parts, technical assistance and repair of equipment needed to provide this service.

Background

By Advice Letter (AL) No. 10854, filed May 11, 2004, Verizon requests authority to withdraw its MMDS.

In its advice letter, and data request response, Verizon states that MMDS, a Category II service, is a fiber-optic based group of high-speed data and video services for use within a LATA. MMDS is a family of data transport services that allows users to transfer data at a variety of speeds. MMDS can be used to connect Ethernet (up to 10 Mbps) and Token Ring (4 to 16 Mbps) LANs, and provide host/remote IBM 3270 connections. MMDS video service is a single channel video for applications such as video conferencing and distance learning.

Verizon's MMDS is provided by equipment vendor ADC. Verizon states that in a May 31, 2001 letter, ADC informed Verizon that it, "has made the decision to discontinue immediately the marketing and selling of the Magnum Broadband Access Multiplexer product family and the Token Ring FDDI Fiber Optic Repeater families." These are the various multiplexers and repeaters associated with Verizon's MMDS product. ADC

agreed to support customers with existing maintenance agreements through the end of the contract period, but as of May 31, 2001, ADC stated it would no longer accept new agreements or renew existing agreements. Verizon states that without a technical and repair agreement, it will not be able to maintain the equipment in working condition. Verizon provided a copy of the May 31, 2001 letter from ADC in this advice letter filing.

A telephone call by the Telecommunications Division (TD) to ADC has confirmed that the company no longer sells or services the equipment needed to operate Verizon's MMDS and has sold the product lines to two other companies. In a data request from TD, Verizon was asked why it doesn't go to these other companies for service contracts so Verizon could continue offering this service. Verizon responded: "...this filing comes down to a business decision. VZ (Verizon) has chosen not to support an obsolete technology that is being requested by only 9 out of nearly 500,000 business customers. The best investment of our corporate resources is with the newer more robust services mentioned in our filing."

In its advice letter filing, Verizon originally requested the effective date of its withdrawal request be September 8, 2004, but has now requested a new effective date of December 20, 2004.

Notice/Protests

In AL No. 10854, Verizon states copies of the Advice Letter were mailed to interested utilities and/or parties and also provided a service list containing the names and addresses of 25 parties. Notice of AL No. 10854 was published in the Commission Daily Calendar of May 17, 2004. No protests to this Advice Letter have been received by the Commission.

Verizon has informed TD staff that they have given the standard notice to its existing customers to this service and that its customers had the opportunity to protest, contact the Commission's Public Advisor's office, or contact Verizon's Customer Service by calling the number that appears on their bill. Verizon indicates that they have not received any comments from customers regarding this notice, nor have they received comments forwarded from the Commission. All nine (9) customers are now being transitioned to new services with the assistance of their Verizon account managers.

Discussion

TD has reviewed and analyzed the tariff changes requested by Verizon in Advice Letter No. 10854, as well as the May 12, 2004 notification letter Verizon sent to its existing nine MMDS customers. TD finds that Verizon's request to withdraw this service is just and reasonable and also concludes that MMDS customers have been well informed of the proposed withdrawal of MMDS by Verizon and have been informed of the several other alternative data transmission services available from Verizon.

A telephone call by TD to ADC has confirmed that the company no longer sells or services the equipment needed to operate Verizon's MMDS and has sold the product lines to two other companies. In a data request from TD, Verizon was asked why it doesn't go to these other companies for service contracts so Verizon could continue offering this service. Verizon responded: "...this filing comes down to a business decision. VZ (Verizon) has chosen not to support an obsolete technology that is being requested by only 9 out of nearly 500,000 business customers. The best investment of our corporate resources is with the newer more robust services mentioned in our filing."

The Telecommunications Division recommends that prior to Verizon withdrawing MMDS service, Verizon notify TD that all of its current MMDS customers have transitioned to another substitute service and there are now no customers remaining with this service. This written notification should be made to the Director of the Telecommunications Director no later than December 15, 2004.

Therefore, Verizon's request for authority to revise Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw its MMDS, effective on December 20, 2004, is just and 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.

TD did not receive comments regarding this resolution.

Findings

1. Verizon requests authority to revise its Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) due to Verizon's equipment vendor ADC withdrawing support for parts, technical assistance and repair of equipment needed to provide this service.
2. Verizon has provided a May 31, 2001 letter from equipment vendor ADC, which states, "ADC has made the decision to discontinue immediately the marketing and selling of the Magnum Broadband Access Multiplexer product family and the Token Ring FDDI Fiber Optic Repeater families."
3. A telephone call to ADC has confirmed that the company no longer sells or services the equipment needed to operate Verizon's MMDS and has sold the product lines to two other companies.

4. In a data request from TD, Verizon was asked why it doesn't go to these other companies for service contracts so Verizon could continue offering this service. Verizon responded, "...this filing comes down to a business decision. VZ (Verizon) has chosen not to support an obsolete technology that is being requested by only 9 out of nearly 500,000 business customers. The best investment of our corporate resources is with the newer more robust services mentioned in our filing."
5. Verizon has notified its nine MMDS customers on May 12, 2004, that this service would be withdrawn.
6. Verizon has not received any comments or protests from any parties or from its customers.
7. The Telecommunications Divisions recommends that prior to withdrawing this service, Verizon notify TD that all of its current MMDS customers have transitioned to a substitute service and there are no customers remaining with this service.
8. Verizon is requesting an effective date of December 20, 2004 for the withdrawal of its MMDS.
9. TD did not receive comments regarding this resolution.

THEREFORE, IT IS ORDERED that:

1. Verizon is granted authority to revise its Schedules Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) tariffed offerings contained in Verizon California Inc.'s Advice Letter No. 10854 filed on May 11, 2004.
2. Advice Letter No. 10854 of Verizon and accompanying tariff sheets shall be marked to show that they were authorized by California Public Utilities Commission Resolution No. T-16873 with an effective date of December 20, 2004.
3. Before Verizon withdraws this service it shall notify the Director of the Telecommunications Division no later than December 15, 2004 that all of its current MMDS customers have transitioned to a substitute service and there are no customers remaining with this service.
4. Verizon's Multi-Media Data Service shall be withdrawn effective December 20, 2004 only if the condition in Ordering Paragraph 3, above, is met by Verizon.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on September 23, 2004. The following Commissioners approved it.

/s/ STEVE LARSON

STEVE LARSON
Executive Director

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners