



PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED

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R0504005

May 17, 2023

Agenda ID #21601
Quasi-Legislative

TO PARTIES OF RECORD IN RULEMAKING 05-04-005:

This is the proposed decision of Commissioner Darcie L. Houck. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's June 8, 2023 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ MICHELLE COOKE
Michelle Cooke
Acting Chief Administrative Law Judge

MLC:mef
Attachment

Decision **PROPOSED DECISION OF COMMISSIONER DARCI E. L. HOUCK**
Mailed on (5/17/2023)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to assess and revise the regulation of telecommunications utilities.

Rulemaking 05-04-005

**DECISION DENYING PETITION FOR
MODIFICATION AND CLOSING DOCKET**

Summary

The Petition for Modification is denied, and Rulemaking (R.) 05-04-005 is closed.

Background

The final phase of this rulemaking concluded with the Commission's adoption of Decision (D.) 09-11-015, following the Commission's issuance of D.08-09-015, a decision that significantly revised the regulation of large and mid-size telecommunications utilities in California (the Uniform Regulatory Framework (URF) Phase I decision). The URF Phase I decision was followed by:

- a. D.07-09-018 which consolidated and closed R.98-07-038, adopted procedures for detariffing service offerings and clarified procedures for advice letters;
- b. D.07-09-019 which adopted telecommunications industry rules;
- c. D.08-04-057 which approved with modification Pacific Bell Telephone Company Advice Letters 28800 and 28982;

- d. D.08-09-015 which directed that no additional reports or consumer protection disclosures would be required from regulated carriers and deferred a decision on proposed changes in retail special access pricing;
- e. D.09-04-005 which harmonized the requirements for filing special access price changes among different carrier classes;
- f. D.09-07-004 which modified D.08-09-015 to clarify that Verizon California did not have to file certain Federal Communications Commission (FCC) Automated Reporting Management Information System (ARMIS) reports, consistent with treatment given to AT&T California; and
- g. Other decisions issued from time to time throughout the proceeding granting intervenor compensation to various parties, correcting minor errors in prior decisions, and dealing with motions of various parties for modifications of prior decisions, requests for rehearing and other procedural matters. D.09-09-025, issued September 10, 2009, made the final intervenor compensation award, following which D.09-11-015, issued November 24, 2009, closed the proceeding.

The URF Phase I decision continued a pre-existing requirement that California's large and mid-size Local Exchange Carriers (LECs) file annual ARMIS Reports 43-01, 43-02 and 43-03 (ARMIS Financial Reports) with the Commission, even if the FCC eliminated the filing requirement at the federal level:

"[T]he incumbent local exchange carriers are required to continue to file with this Commission the California-specific information from the ARMIS reports until we determine in a new phase of this proceeding that the ARMIS report information is necessary on a going-forward basis for this Commission to achieve its statutory objectives under Pub. Util. Code § 709(a) for assuring the continued affordability and widespread availability of high-quality

telecommunications services to all Californians, under our uniform regulatory framework.”¹

The proceeding was re-opened on January 27, 2021, when AT&T filed its Petition for Modification of D.08-09-015 (PFM). The PFM specifically asks that the decision be modified to eliminate the requirement to file ARMIS Financial Reports with the Commission:

“With this Petition, AT&T respectfully seeks relief from the obligation to produce ARMIS reports 43-01, 43-02 and 43-03...because they no longer serve any useful purpose and are unjustifiably time-consuming to produce and report.”²

The PFM was responded to by The Utility Reform Network, the Center for Accessible Technology, and the Communications Workers of America, District 9, filing jointly (Consumer Parties) and by Frontier California, Inc., Citizens Telecommunications Company of California, Inc., and Frontier Communications of the Southwest Inc., also filing jointly (Small LECs). The Consumer Parties urged the Commission to deny the PFM while the Small LECs urged the Commission to grant it.

Discussion

On March 17, 2022, the Commission opened Rulemaking 22-03-016, Order Instituting Rulemaking (OIR) Proceeding to Consider Amendments to General Order 133, (Service Quality OIR). Among the topics specifically addressed in the Service Quality OIR is the necessity and desirability of continuing to require the state’s landline service providers to file the ARMIS Financial Reports that are the

¹ D.08-09-015, Ordering Paragraph 5

² *Petition of Pacific Bell Telephone Company d/b/a AT&T California for Modification of D.08-09-015* at 1.

subject of the PFM. On August 31, 2022, the assigned Administrative Law Judge in the Service Quality OIR issued a ruling (OIR Ruing) directing the parties to the Service Quality OIR to file comments on the continuing obligation of landline carriers to file ARMIS Financial Reports, and the potential substitution of reports based on Generally Accepted Account Principles for the ARMIS Financial Reports. The OIR Ruling took specific notice of the PFM in this proceeding and indicated that the issue of ARMIS Financial Reports would be addressed in the Service Quality OIR as part of a more general examination of future reporting requirements, regardless of the outcome of this proceeding.

In light of the issuance of the Service Quality OIR and the extended examination of future reporting requirements being undertaken in that proceeding, we conclude that the PFM should be denied, and this proceeding should be closed.

Comments on Proposed Decision

The proposed decision of Commissioner Darcie L. Houck in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Karl J. Bemesderfer is the assigned Administrative Law Judge in this Proceeding.

Findings of Fact

1. All substantive issues outlined in the scoping memoranda for this rulemaking have been resolved in prior decisions in this docket.
2. All pending intervenor compensation requests have been acted on.

3. No further activity in this docket is anticipated.
4. The question of whether to continue to require the state's landline carriers to prepare and file ARMIS Financial Reports is currently being addressed in R.22-03-016.

Conclusions of Law

1. The Petition for Modification of D.08-09-015 should be denied.
2. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The Petition of Pacific Bell Telephone Company d/b/a AT&T California for Modification of Decision 08-09-015 is denied.
2. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.