

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Sprint Communications Company L.P. (U5112C) to Discontinue Provision of Sprint Integrated Local Service and Transfer Sprint Integrated Local Service Customers to Default Carrier.

Application 14-07-011
(Filed July 21, 2014)

DECISION GRANTING REQUEST TO DISCONTINUE LOCAL SERVICE**Summary**

This decision grants the request of Sprint Communications Company L.P. (Sprint)¹ for authority to discontinue its service offering designated as Sprint Integrated Local Service in accordance with the terms and conditions specified herein. We approve Sprint's application in accordance with the terms and conditions as set forth in Attachment A to this decision.

Sprint received a Certificate of Public Convenience and Necessity (CPCN) to operate as a competitive local exchange carrier in California in Decision (D.) 97-08-045 and is authorized to provide facilities-based local exchange and interexchange services and also to provide retail service on a resale basis.

¹ Sprint is a limited partnership under the laws of Delaware and is located at 6200 Sprint Parkway, Overland Park, Kansas, 66251. Sprint is qualified to transact business in the State of California as a foreign limited partnership as set forth in Exhibit A to A.07-05-034, in which the Commission issued D.07-08-027.

Sprint filed its application to discontinue Sprint Integrated Local Service on July 21, 2014. Pursuant to Resolution ALJ 176-3340, dated August 14, 2014, the California Public Utilities Commission made a preliminary determination of category and need for hearing in the proceeding, consistent with Rule 7.1. This proceeding was preliminarily categorized as ratesetting. No party filed a protest or other response. The application is uncontested. We affirm the preliminary determinations of categorization and that no hearings are necessary to resolve this matter.

1. Overview of Sprint's Request

As described in its application, Sprint seeks authority to discontinue offering its Sprint Integrated Local Service to its 25 affected business customers. Sprint seeks to discontinue offering and providing these services and features to its customers effective December 22, 2014, or as soon thereafter as the necessary regulatory approvals are obtained. In view of this schedule, Sprint requests Commission approval of its application no later than December 18, 2014.

The retail services to be discontinued are resold local voice services, which are sold in a bundle with interexchange services marketed as Sprint Complete Access. The offerings and features to be discontinued include local business lines, Integrated T1 Service and Digital Integrated T1 Service, Optional Calling Features, Operator Services, Directory Assistance and Directory Assistance Calling, Listing Services, Toll Restriction Services, Caller ID Blocking, Intercept Services, Direct Inward Dialing Numbers, and 9-1-1 Telecommunications Services. Only Sprint Integrated Local Service and the related features mentioned above are to be discontinued.

Sprint claims that the discontinuance will not result in material harm to affected customers because the customers may retain all other

telecommunications services provided by Sprint and can obtain alternatives to Sprint Integrated Local Service from other service providers, many of whom can provide local connectivity to the remaining Sprint Complete Access services. Sprint further claims that if the replacement local service provider chosen by the customer does not provide local access to all of the other Sprint Complete Access services, alternative providers of those services are readily available. Should a customer purchasing bundled Sprint Complete Access service desire to discontinue other Sprint services offered in the Sprint Complete Access bundle, the customer can do so without penalty.

2. Discussion

When a competitive local exchange carrier (CLEC) seeks to discontinue offering local exchange services, the CLEC must first give affected customers the opportunity to migrate to another carrier without interruption of service in accordance with adopted Commission rules. This movement is referred to as a mass migration of customers when it occurs as a result of a carrier's discontinuation of service. In D.10-06-021 and in D.10-07-024 we adopted mass migration guidelines governing the process to apply in the event that a carrier seeks to discontinue offering local voice service to its customers.² The objective of the mass migration guidelines is to enable a CLEC leaving the market to give customers the opportunity to select another carrier without interruption of

² Decision (D.) 06-10-021 adopted Mass Migration Guidelines that apply when a CLEC files an application to discontinue providing local exchange services to its customers. D.10-07-024 modified procedures contained in the Mass Migration Guidelines to clarify the process and make it more efficient for the assigned Administrative Law Judge and Commission staff to resolve problems with the underlying application and filed Exit plan.

service. As described in its application, Sprint developed a customer notification and exit plan as required under the mass migration guidelines adopted in D.10-06-021 and D.10-07-024.

We conclude that the proposed exit plan presented in Sprint's application, including notifications to affected customers and to the industry, complies with our rules governing the mass migration of customers, and provides appropriate protections to customers in connection with the proposed discontinuation of service. Accordingly, we approve the application and grant Sprint the authority to discontinue offering its Sprint Integrated Local Service to the 25 affected business customers pursuant to the conditions and directives set forth below.

We find Sprint's proposed customer notice and Exit Plan to be compliant with the requirements adopted in D.06-10-021 and D.10-07-024, which provide mass migration guidelines (Attachment 3 to D.10-07-024). These guidelines incorporate the following goals:

- Ensure customers do not lose local voice service;
- Maintain regulators' ability to monitor events and assist parties;
- Avoid double migrations where the first migration is to a carrier the customer did not choose;
- Provide ample notice to customers;
- Comply with federal and state laws and regulations;
- Coordinate information flow and activities through a project management team; and
- Ensure the CLEC provides sufficient network information to the underlying network service provider or the customer's new carrier to permit a seamless migration.

2.1. Elements of Sprint's Exit Plan**2.1.1. Notifications of Plans for Service Termination to the Commission and to Industry**

Pursuant to D.06-10-021 and D.10-07-024, and by its application, Sprint notified the Commission of its intention to discontinue providing Sprint Integrated Local Service and requested authority to do so. Sprint provided its Exit Plan as Attachment B to the application. Sprint filed its Application and Exit Plan more than 90 days before its proposed service termination date of December 22, 2014.

Regarding industry notification, Sprint served a copy of its Application on its underlying service provider, XO Communications, Inc. (XO), as well as the two Incumbent Local Exchange Carriers (ILECs), AT&T and Verizon Communications, which provide service in the areas where Sprint Integrated Local Exchange Service is provided to Sprint customers. Sprint offered to serve its Application on other carriers, if any, to which Commission Staff request it to be sent.

2.1.2 Notifications to Retail Customers

Sprint notified affected customers of its planned discontinuation of service using the customer notification letter as attached to its application as Attachment A. We conclude that Sprint's customer notice in Attachment A meets the Commission's requirements, including the requirement that customers be notified of a proposed discontinuance of service at least 60 days in advance of the final service termination date. Sprint voluntarily agreed to provide a second notice to any customer who had not selected a new service provider by August 21, 2014, approximately 30 days before the September 22, 2014 deadline

stated in the initial customer notice letter. Consistent with the Mass Migration Guidelines, the customer notice contains information advising that:

- a. The customer has the right to choose a new carrier and describing the means by which the customer may locate a new carrier, directing the customer to the local white pages or suggesting an appropriate internet search for “local exchange telephone service providers.”
- b. The customer must take prompt action by September 22, 2014 or the customer will be transferred to a default carrier.
- c. The specific local offerings and features being discontinued include local business lines, Integrated T1 Service and Digital Integrated T1 Service, Optional Calling Features, Operator Services, Directory Assistance and Directory Assistance Calling, Listing Services, Toll Restriction Services, Caller ID Blocking, Intercept Services, Direct Inward Dialing Numbers, and 9-1-1 Telecommunications Services.
- d. A toll-free number is available for questions to the exiting carrier.
- e. Long Distance Service may be impacted by the cutover.
- f. The customer is responsible for payment of telephone bills during the migration period.
- g. The customer will be permitted to transfer their phone number(s) to the new service provider.

2.1.3 Customer Option to Choose another Carrier

The customer must be permitted at least 30 days from the date of notification to choose another carrier. We find that Sprint complied with this requirement by allowing each customer until September 22, 2014 to choose another carrier.

2.1.4. Appointment of a Program Manager

The carrier must appoint a program manager to coordinate the discontinuance of service and transfer of the customer base. Sprint identifies its program manager as Barbara Schauerl, (telephone) 913-315-3283.

2.1.5. Submission of Customer List to the Commission

At least 60 days prior to the projected cutover date, the exiting CLEC must submit its customer list to the Commission so that Communications Division Staff can assess the nature of the customers being cutover, track the progress of the cutover, and facilitate as needed the customer migration process through identification of impacted customers. Staff needs to determine the size of the customer base and to identify health and safety-related customers. Staff will use the list for customer contact purposes to identify and avoid migration problems. Where the cutover is of a simple resale serving arrangement with few customers, Staff may waive this requirement at the exiting carrier's request, if Staff determines that the customer list will not be needed for these or any other purposes.

Sprint agrees to provide its customer list to the Commission as required. No health or safety-related issues exist in this instance. Sprint expects that the proposed discontinuance of service will be a simple matter and that Commission Staff involvement will not be necessary. Sprint believes no "at risk" customers' services are being discontinued, and consequently, that no "priority" or "essential" customers need to be informed. Sprint believes that no customers affected by Sprint's discontinuance will pose cutover problems. Sprint believes that the time until the proposed service termination date of December 22, 2014, is sufficient to provide for the migration of customers to a new carrier or carriers.

2.1.6. Provision of Customer Service Record (CSR)**Data Elements**

The exiting CLEC must have available the Customer Service Record (CSR) data elements to enable any carrier(s) to migrate the affected customers seamlessly. Sprint agrees to provide all necessary CSR data to complete a seamless transfer for its 25 business customers. Sprint agrees to track the migrations and provide Commission staff with progress reports as requested.

The data elements required to migrate a customer are:

- Type of service configuration information (e.g., resale, Unbundled Network Element (UNE) Platform, UNE-Loop, full facilities, etc.).
- Class of service.
- Customer billing name and address.
- Customer directory listing information, including address, listing type, and standalone listings if applicable.
- Customer service address.
- Billing telephone number and associated telephone numbers (e.g., working telephone number).
- If applicable, circuit IDs.
- Current Primary Interexchange Carriers (inter/intraLATA toll), including freeze status.
- Local freezes (if applicable).
- All vertical features (e.g., custom calling, hunting, etc.).
- Options (e.g., Lifeline, 900 blocking, toll blocking, remote callforwarding, off premises extensions, etc.).
- Tracking number or transaction number (e.g., purchase order number).

- Identification of the Network Service Provider(s).
- Identification of any line sharing/line splitting on the migrating enduser's line.

2.1.7. Transfer Arrangements for NXX Codes or Thousand-Number Blocks

If the exiting CLEC has any NXX codes or thousand-number blocks assigned, it must make transfer arrangements with the code administrator at least 66 days prior to the migration (or by such earlier date as shall be specified by the code administrator). The telephone numbers used to provide Sprint Integrated Local Services belong to the underlying carrier, XO, whose services are resold by Sprint.

Sprint states that it will ensure that XO makes transfer arrangements with the code administrator at least 66 days prior to the migration (or by such earlier date as shall be specified by the code administrator) so that number portability requests are honored. Sprint will ensure that XO understands that if arrangements are not made calls may not be completed. Sprint will ensure that, as necessary, XO refers to the Central Office Code (NXX) Assignment Guidelines and Thousands-Block (NXX-X) Pooling Administration Guidelines developed by the Industry Numbering Committee. Sprint will ensure that XO understands that neither NXX codes nor thousand-number blocks can be disconnected by XO if any number within the relevant range of numbers has not yet been completely ported.

**2.1.8. Unlocking of Telephone Numbers
in E-911 Database**

A CLEC discontinuing service must unlock all of its telephone numbers in the E-911 database. This will provide any new local service provider access to its new end user's E-911 record. Unlocking the E-911 database is required by the National Emergency Numbering Association's standards to which all carriers must adhere. In addition, the exiting CLEC must submit a letter to the appropriate E-911 service provider authorizing the E-911 service provider to unlock any remaining E-911 records after the CLEC has exited the market. This letter must be provided at least 30 days prior to the CLEC exiting the market.

Sprint agrees to coordinate with XO by letter to ensure that XO unlocks all of the telephone numbers of affected customers in the E-911 Database. In compliance with Section VIII of Attachment 3 of D.10-07-024, Sprint will notify XO by letter concerning its continuing E-911 obligations for numbers in the XO number inventory returned to XO by Sprint and its obligation to unlock any remaining E-911 records after Sprint has discontinued Sprint Integrated Local Service. Sprint will provide this letter to XO at least 30 days prior to Sprint's discontinuance of Sprint Integrated Local Service. Sprint will ask XO to confirm its 911 responsibilities to the appropriate E-911 service provider.

3. Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, 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 period for public review and comment is waived.

4. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Thomas R. Pulsifer is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Sprint seeks authority to discontinue offering its Sprint Integrated Local Service services which are resold local voice services, and which are sold in a bundle with interexchange services that are marketed as Sprint Complete Access.

2. Sprint plans to discontinue offering and providing these services and features to its customers effective December 22, 2014, or as soon thereafter as the necessary regulatory approvals are obtained.

3. The time until Sprint's proposed service termination date of December 22, 2014, is sufficient to provide for the migration of the affected customers to a new carrier or carriers.

4. The affected customers can retain all of their other telecommunications services provided by Sprint and can obtain alternatives to Sprint Local Integrated Service from other service providers.

5. Sprint developed a customer notification and an exit plan as required under the Mass Migration Guidelines, attached to its application as Attachment A and Attachment B, respectively.

6. Sprint served a copy of its Application on its underlying service provider, XO Communications, Inc. (XO), as well as the two ILECs, AT&T and Verizon Communications, each of which serve in the areas where Sprint Integrated Local Exchange Service is provided to Sprint customers.

7. The mass migration guidelines adopted in D.10-06-021 and D.10-07-024 govern the process to be applied in the event that a carrier was to discontinue offering local voice service to its customers in order to give the customers the opportunity to select another carrier without interruption of service.

8. While Sprint seeks to discontinue providing these service offerings, it may develop a new local market strategy, and thus requests that its CPCN remain in effect and unmodified.

Conclusions of Law

1. When a CLEC discontinues local exchange services, that CLEC must give its customers the opportunity to migrate to another local exchange carrier without interruption of service. A CLEC may withdraw from providing local exchange service to customers only with Commission approval.

2. Sprint complied with the deadlines specified in D.06-10-021 and D.10-07-024 by filing its Application and Exit Plan to discontinue service more than 90 days in advance of Sprint's proposed service termination date of December 22, 2014.

3. Sprint's request for authority to discontinue offering its Sprint Integrated Local Service services is subject to the Commission's mass migration guidelines adopted in D.10-06-021 and D.10-07-024. The Mass Migration Guidelines adopted in these decisions apply when a CLEC files the required application to discontinue providing local exchange services to its customers.

4. Sprint's proposed customer notice and Exit Plan are compliant with Commission requirements adopted in D.06-10-021 and D.10-07-024, which are provided in the Mass Migration Guidelines (Attachment 3 to D.10-07-024).

5. Sprint's customer notice in Attachment A of its application meets the Commission's requirements that customers be notified of a proposed discontinuance of service at least 60 days in advance of the final service termination date.

6. Sprint complied with industry notification guidelines by serving a copy of its Application on its underlying service provider, XO Communications, Inc., as

well as on the two Incumbent Local Exchange Carriers, AT&T and Verizon Communications, which serve in the areas where Sprint Integrated Local Exchange Service is provided.

7. Sprint's application for authority to discontinue offering its Sprint Integrated Local Service to the 25 affected business customers should be approved in accordance with the terms and conditions adopted in Appendix 1 of this decision.

ORDER

IT IS ORDERED that:

1. The application of Sprint Communications Company L.P. (Sprint) is granted for authority to discontinue offering Sprint Integrated Local Service to affected business customers subject to the terms and conditions adopted in Appendix 1. Sprint is directed to implement the plan for discontinuation of its Sprint Integrated Local Service in accordance with the terms and conditions of the Exit Plan adopted in Appendix 1 of this decision.
2. The Exit Plan set forth as Appendix 1 of this decision is approved and adopted for use by Sprint Communications Company L.P. (Sprint) for purposes of implementing the discontinuation of Sprint Integrated Local Service.
3. "Approval of the application, as granted in this order, shall only become effective once Sprint Communications Company L.P. formally notifies the Director of the Communications Division by letter confirming it has complied with all terms and conditions of the adopted Exit Plan as set forth in the appendix hereto, and that all affected customers have successfully been transferred to an alternative carrier or service."

4. The Certificate of Public Convenience and Necessity previously issued to Sprint Communications Company L.P. remains in effect.

5. Application 14-07-011 is closed.

This order is effective today.

Dated _____, in San Francisco, California.

Appendix 1

Approved Exit Plan for Discontinuation of Sprint Integrated Local Service

The application of Sprint Communications, L.P., for discontinuation of its Sprint Integrated Service is approved in accordance with the terms, conditions, and requirements set forth in the Approved Exit Plan, specified herewith:

- 1. Initial notification letter to the customers.** An initial notification letter was to be sent to Sprint Integrated Local Service customers, advising them of the planned service discontinuation. The form of the initial notification letter shown in Attachment A to Sprint's Application is approved.
- 2. Follow-up notification arrangements.** If a Sprint Integrated Local Service customer did not select a new carrier within 30 days after receiving Sprint's initial notification letter, Sprint was to use such means (such as a second letter, phone calls, or emails) as necessary and appropriate for advising a customer of the necessity to select a replacement carrier. Sprint was to provide a second notice to any customer who has not selected a new service provider by August 21, 2014, approximately 30 days before the deadline (September 22, 2014) stated in the initial customer notice letter.
- 3. A cutoff date when customers must select a carrier.** Section V of Attachment 3 to D.10-07-024 provides: "Customer notice for mass migrations involving a Default Carrier . . . must include a cut-off date." The cutoff date by which customers must select a new carrier was identified in the notification letter as September 22, 2014.
- 4. Proposed final termination date.** The proposed final termination date is December 22, 2014.
- 5. If resolving the application within 90 days is urgent, a declaration stating that fact.** Sprint requests that its Application for Authority to Discontinue Sprint Integrated

Local Exchange Service be resolved by not later than December 18, 2014, which is more than 90 days after the filing date of its Application.

- 6. Contact names and telephone numbers for the cutover coordinator, the regulatory contact and any other pertinent contacts such as customer service records (CSR) and/or provisioning contacts, if separate.** The cutover coordinator and customer service records coordinator is identified as Barbara Schauerl, (telephone) 913-315-3283, and the regulatory contact is Stephen H. Kukta (telephone) 415-572-8358.
- 7. Description of the customer service arrangements the exiting CLEC has made with the Arranged Carrier(s), if any.** Sprint has no Arranged Carrier.
- 8. Steps to be taken with the number code and/or pooling administrator to transfer NXX or thousand number blocks (if applicable) while preserving number portability for numbers within the code.** The telephone numbers used to provide Sprint Integrated Local Services belong to the underlying carrier, XO Communications (XO), whose services are resold by Sprint. Sprint will ensure that XO makes transfer arrangements with the code administrator at least 66 days prior to the migration (or by such earlier date as shall be specified by the code administrator) so that number portability requests are honored. Sprint will ensure that XO understands that, if arrangements are not made, calls may not be completed. Sprint will ensure that, as necessary, XO refers to the Central Office Code (NXX) Assignment Guidelines and Thousand-Block (NXX-X) Pooling Administration Guidelines developed by the Industry Numbering Committee. In addition, Sprint will ensure that XO understands that neither NXX codes nor thousand-number blocks can be disconnected by XO if any number within the relevant range of numbers has not yet been completely ported.

- 9. The current customer serving arrangements and the underlying service provider.** Sprint Integrated Local Services are provided on a resale basis. The services that are resold by Sprint are provided by XO.
- 10. Arrangements made with underlying Network Service Providers for transfer of underlying service, where the exiting CLEC has made customer service arrangements directly with another carrier.** Sprint has not made any such arrangements.
- 11. The number of customers impacted.** The number of affected customers who subscribe to Sprint Integrated Local Services is 25.
- 12. Identification of customers where the exiting CLEC is the only provider of facilities to a customer or group of customers.** Based on the locations of the customers in question, other carriers are available for customers to select a new service provider.
- 13. A summary of how (in what format) the CSRs are being kept, a statement of what data elements are in these CSRs, and a statement about how the CSRs will be made available to other carriers.** The Customer Service Records (CSR) (e.g. billing telephone number, service address, features, circuit ID) are maintained in an electronic database and will be made available if requested when Sprint is contacted by a carrier after receipt of the customer's signed Letter of Authorization.
- 14. Anticipated need for a Default Carrier. A statement addressing how information to perform customer credit checks will be provided to the Default Carrier.** Sprint anticipates that there may be a need for a Default Carrier, if any of the affected customers does not select a replacement carrier on their own. Sprint will advise

customers that acceptance by any default carrier may be contingent upon a credit check.

- 15. Any transfer of assets or control that requires Commission approval.** Sprint does not anticipate any transfer of assets or control in connection with this Application.
- 16. Plans to modify/cancel tariff(s).** Sprint will cancel all tariff pages for Sprint Integrated Local Service.
- 17. Plans for handling customer deposits, credits, and/or termination liabilities or penalties.** Sprint does not hold any customer deposits for the customers in question. If there were any customer deposits and credits, they would be returned to customers. Sprint does not anticipate any termination liabilities or penalties in connection with the Application.
- 18. Plans for unlocking the E-911 database, including the letter detailed in Section VIII.** Sprint will coordinate with XO to ensure that XO unlocks all of the telephone numbers of affected customers in the E-911 Database. In compliance with Section VIII of Attachment 3 of D.10-07-024, Sprint will notify XO by letter concerning its continuing E-911 obligations for numbers in the XO number inventory returned to XO by Sprint and its obligation to unlock any remaining E-911 records after Sprint has discontinued Sprint Integrated Local Service. Sprint will provide this letter to XO at least 30 days prior to Sprint's discontinuance of Sprint Integrated Local Service. Sprint will ask XO to confirm its 911 responsibilities to the appropriate E-911 service provider.

(End of Appendix 1)