

HB 3065 COLR Public Process Framework Questions for Recommendations

1. What are the key industry trends and policy directives that should be considered?

Telecommunication services are provided to Oregon consumers by several technologies that continue to evolve. Consumers evaluate availability, reliability and cost of service to determine what service provider is used. While consumers may choose to replace or supplement telephone service through other technologies, alternate telephone service providers that use these technologies are not regulated by the same criteria that COLR service providers.

The COLR obligation was designed for a technology that may have little relevance in the coming years, unless the ILEC is providing broadband on which VOIP rides. In urban and suburban areas, data indicates that both traditional telephone (landline) service and traditional video (cable) are declining in usage. When available, consumers are choosing Voice over Internet Protocol (VOIP) and video streaming services as an alternative to traditional phone and cable services.

Business models dictate an alternative service provider's desire to enter and stay in a market. Alternative service providers target high density population areas, and are under no obligation, nor demonstrate a desire, to serve remote areas. A recent report (<https://www.gao.gov/assets/710/707530.pdf>) by the Government Accountability Office found that 5G deployment would likely exacerbate the "digital divide and will likely be deployed in areas already equipped with the necessary infrastructure." It is important to note that wireless service is dependent on fiber or landlines and to complete the delivery of wireless service, often using a broadband service provider's infrastructure. Cable company telephone services are incidental and only available in conjunction with broadband services.

Remote rural telecommunications customers and low or fixed income depend on their COLR provider for service. More often than not, rural customers' only choice for service is their COLR provider. In addition, telephone service provided by a broadband requires a broadband service prior to access to phone service. This additional cost to obtain phone service may be prohibitive to low-income community members.

2. Do those trends and directives warrant COLR relief?

The overarching purpose of the COLR obligation is to provide *quality service to all customers within their service territory at just and reasonable rates*. This idea is at odds with most for-profit

business models. Service providers that are responsible directly to their customers (Cooperatives, Munis) will likely continue to be responsive to their customers' needs. With COLR relief, ILEC participation in the market may decline, leading to a reduction in competition and customer choice, particularly in urban markets where for-profit providers proliferate. ILECs will no longer install infrastructure where cable companies negotiate exclusive contracts with developers, as evidenced by current resistance by ILECs to serve areas where these contracts exist. New monopolies may develop, monopolies that will not be subject to state or local regulation.

3. If so, what does COLR relief look like when implemented?
 - a. Existing residential customers? Include a description on how an ILEC could change availability, rates, terms, and conditions relative to existing customers to implement COLR relief.
 - b. New residential customers? Include a description of how an ILEC would make a determination on whether to provide service to a new customer. Include what factors would be used to make the decision, such as geographic location.
 - c. Provision of Lifeline services? Please describe how existing and future low-income program participants would be affected; include effects to federal programs and Oregon programs.

In order to provide continued availability, reasonable rates and service quality, relief options should consider the following:

- Equal regulation of all communications providers.
- Incentivize ILECs to continue and expand services, while creating a framework that encourages competitive providers to "buy in" to the program. Incentives should be based on performance, not promise.
- Require or incentivize all telecommunications providers to contribute to the USF and OUSF and make low-income subsidies available for all telecommunications providers.
- Require or incentivize unbundling of telephone, data and cable services, so that consumers may choose services ala carte.
- It is important to support regulation that protects service provision to new customers in remote location, especially for emergency services.

COLR relief could be considered to the extent that COLR obligations could be transitioned to the Broadband Policy. With broadband services, phone service is available

COLR obligations could be applied to wireless service providers. A voluntary transfer of the COLR obligation to another service provider may ease the burden for struggling ILECs.

These proposal may be inconsistent with recent rulings by the FCC.

4. Would COLR relief impact an ILEC's core network and interconnection to that network, or provision of services to non-residential customers? Please address:
 - a. Provision of SIP trunk interconnections to RLECs and other service providers?
 - b. Core network topology changes, specifically POIs and POPs, and wire center central offices?
 - c. Remote terminals, pair gain systems and cables, copper loops, and interoffice facilities? Include a description of what the company would do with these existing facilities and how it would affect Capital Expenditure improvements funded with or without universal service subsidies, grants and loans
 - d. *(Is there a question to highlight the impact to non-residential customers?)*

Network infrastructure of the ILECs may decline.

5. Would COLR relief impact telecommunication platforms that enable alternative telecommunications service? . Please address:
 - a. Network connections for cellular backhaul and BIAS (aka any-haul for emerging cellular network designs)? Include a description of how the network footprint changes would impact cellular providers; new and existing tower connections, and 5G implementation especially in rural high cost areas
 - b. Network connections to facilitate WISP and satellite services including WISP and satellite BIAS? Include a description of how network footprint changes would affect existing and new service to satellite and WISP providers.
 - c. Common trunks for switched traffic connections with smaller telecommunications providers; competitive and ILECs?
 - d. Interconnections with other service providers?

COLR relief may be detrimental to interconnecting networks and service provision to wireless service providers.

6. Would COLR relief impact safety and reliability? Please address:
 - a. Facility relocations, maintenance, and safety inspection compliance?
 - b. Support for E-911 and NG 9-1-1?
 - c. Support for law enforcement agency radio communications?

Because utility construction is required to be NESC and NEC compliant, safety should not be any more of a problem than it is today. If COLR obligations are eased, ILECs would have capital to divert to maintenance, if they chose to do so.

Providing wireline (or fiber) service, especially in remote rural areas, is critical to law enforcement and emergency services. Wireline (or fiber) continues to be the most reliable method of telephone services.

7. What changes to existing laws, rules, and policies would be required to implement COLR relief?
 - a. What changes could be made within existing PUC statutory authority?
 - b. What changes would require legislative action?

Regulation of telecommunications is no longer regulated as a “service”, but regulated by the technology that delivers it. The FCC regulates telecommunications under separate rules for cable and data services (broadband). Recent rulings (cable) create contradicting requirements for same services with regards to service quality, cost, market entry and fees. To foster a competitive market, it is important to promote and support legislation at both the State and Federal level that applies the same regulatory requirements for like services.