



HB 3065: Carrier of Last Resort Obligation Investigation and Legislative Report

Under HB 3065 (2019), the Oregon Public Utility Commission (Commission) has been directed to investigate the continuing relevance of the “carrier of last resort” or COLR obligation on the state’s telecommunication providers given the changes in technology and policy in the telecommunications industry.

The carrier of last resort obligation was created to ensure that, when telecommunications providers were granted an exclusive service territory, they would provide service to all customers within that service territory. Under the COLR, providers are required to provide service to customers upon request. The customer retains the obligation to pay for the cost to provide them service, which can vary depending on their placement on the system. However, once connected to the system those customers pay the same rates as all other customers.

With the vast changes in the telecommunications industry, some telecommunication providers have indicated that, even in the circumstance when they have been granted an exclusive service territory, customers have access to service through another variety of means (satellite, voice over internet protocol, etc.). This in effect has introduced competition into what was once a monopoly service. Others have indicated that, although some customers have access to a wide variety of competitive voice services, some customers’ only choice remains the incumbent telecommunications provider. They have also questioned the comparability of competitive options in terms of quality and reliability.

Over the next year, the Commission has been tasked with convening a public process to examine whether industry trends, technologies, and policy drivers in the telecommunications sector impact the existing regulatory structure to ensure adequate and reasonable access to telecommunication services for residential customers. As part of this process, the Commission has hosted interviews with stakeholders to better understand what type of process they would like to see the Commission use in order to fill the requirements of the legislation.

In late October, the Commission anticipates announcing the upcoming meeting dates and hosting the first meeting in December 2019. The Commission is required to submit its report to the Legislature by September 15, 2020. The Commission encourages those who are interested in participating in the process to reach out to Executive Director Michael Grant (Michael.Grant@state.or.us) or Director of Policy Julie Peacock (Julie.Peacock@state.or.us).