



Oregon Citizens' Utility Board

Oregon Citizens' Utility Board
HB 3065 - COLR Public Proceeding
Workshop #4 - 07/02/2020

The following is Oregon Citizens' Utility Board's (CUB's) summary answers to questions posed by Public Utility Commission (PUC) Staff in lieu of Workshop #4.

However, it is worth highlighting that CUB believes our [Workshop #3 presentation](#) in many ways addresses and responds to the thrust of Staff's questions. CUB's presentation includes links to and brief summaries of Staff's most recent [Local Telecommunications Competition Survey and Annual Report](#) and Strategic Networks Group's recent [Oregon Statewide Broadband Assessment and Best Practices Study](#). The Oregon Business Development Department hired [Strategic Networks Group](#) to conduct the study. CUB is not aware of a comparable, Oregon-specific study.

Rather than addressing each question posed by Staff, CUB's response responds to the questions by lumping them together in separate groups.

Staff Questions 1-2:

- 1. If COLR relief were granted, what measures could be employed to protect customers whose individual circumstances and needs may impact their access to and usage of telecommunications services, including low-income customers? For example, what measures could be used to protect new and existing customers in areas where there are no service alternatives, or more costly service alternatives?*
- 2. If COLR relief were granted, what measures could be employed to protect customers whose geographic location may impact their access to and need for various telecommunications services? Please include examples of how to ensure that customers living in low population density areas will have access to high quality, reliable telecommunications services, even if those services may differ from those provided in high population density areas.*

CUB Response:

Customers generally lack access to, or are unable to utilize, robust and affordable voice (traditional "landline" telephony, wireless, or over internet protocol) service, basic internet access service (less than 25/3 megabits per second), or broadband internet access service (25/3 megabits per second or greater) due to one or, more often, some combination of three variables. However, these variables

do not describe the entire universe of potential barriers that a customer may experience accessing or utilizing voice, basic internet, or broadband internet access service (BIAS).

1. Lack of initial or sustained infrastructure investment on the part of service providers;
2. Customers' inability to pay for the upfront or sustained cost of maintaining service(s);
3. Customers' lack of education and/or training regarding their utilization of service(s).

Carrier of Last Resort (COLR) obligations for Oregon's incumbent telecommunications utilities (large and small), or any other service provider, have the most value in areas where customers lack access to viable service alternatives in terms of either technological relevance or cost. Because access to various telecommunications services is necessary for participation in modern society, CUB has been, and will continue to be, deeply concerned with the potential absence of COLR obligations in these areas and for these customers.

Staff's questions 1-2 posit the scenario of the PUC granting COLR relief to a provider that is obligated to offer all customers in their allocated territory with reasonable and non-discriminatory service; and is doing so in areas with limited or no viable service alternatives; and for customers vulnerable to the cost of service; and at the time of the request for COLR relief [the provider] is receiving economic support through the Oregon Universal Service Fund (OUSF).

Under this scenario, CUB has identified two potential ways to protect new and existing customers. The provider requesting and receiving COLR relief shall:

1. Invest financially in those areas and for those customers to help propagate the existence of viable service alternatives, **and** support low-income customers with both the educational and financial resources necessary to adopt a viable service alternative (assuming one exists); and
2. No longer receive or be in any way eligible for economic support from the OUSF to furnish those areas and customers with the service(s) they are no longer obligated to provide.

Regarding customers who may have access to viable service alternatives, but for whom cost presents an ongoing challenge:

- COVID-19 has devastated our economy. Oregonians, particularly those most vulnerable prior to March 2020, may experience lasting economic hardship.
- The Federal Communications Commission will continue to reduce Lifeline support for voice services. Only traditional telecommunications providers with Eligible Telecommunications Carrier/Eligible Telecommunications Provider status can offer BIAS support in Oregon.
- Most wireless providers do not participate with the Oregon Telephone Assistance Program (OTAP) and, therefore, do not offer OTAP/Lifeline support.

- CUB is concerned that economically vulnerable customers will be further harmed if their provider were to request and receive COLR relief in the absence of greater OTAP/Lifeline participation from basic internet, BIAS, and traditional wireless providers.

Regarding customers who may have access to viable service alternatives, but for whom the lack of education and training resources presents an ongoing challenge:

- CUB is similarly concerned that socially and economically vulnerable customers, who often lack the financial and educational resources to access and utilize various telecommunication services (should they exist in their area), would experience additional harm in the absence of digital equity, inclusion, and literacy investments (financial, educational, training or otherwise) from those providers requesting and ultimately receiving COLR relief.

Regarding customers who have limited or no access to, although possess the need for, various telecommunication services, but for whom geography presents an ongoing challenge:

- CUB is concerned that customers would be harmed in the absence of significant financial investments from providers requesting and receiving COLR relief to help propagate viable service alternatives in those geographies that possess limited or no viable service alternatives.

Staff Questions 3-9:

- 3. Provide citations, links, and references to third-party research or data sources and studies indicating the incidence of residential customers with access at their domicile to fewer than two of the following terrestrial-based service alternatives:***
 - a. Telecommunications services provided by a facilities-based competitive local exchange carrier;***
 - b. Voice service offered via interconnected Voice over Internet Protocol; or***
 - c. Voice service offered by a cellular communications service.***
- 4. Provide citations, links, and references to third-party research or data sources and studies indicating the incidence of residential customers with access at their domicile to two or more of the following terrestrial-based service alternatives:***
 - a. Telecommunications services provided by a facilities-based competitive local exchange carrier;***
 - b. Voice service offered via interconnected Voice over Internet Protocol; or***
 - c. Voice service offered by a cellular communications service.***
- 5. Provide citations, links, and references to third-party research or data sources and studies indicating the relative comparability of voice service offered by wireless Internet service providers and satellite providers.***

6. *Provide citations, links, and references to third-party research or data sources and studies providing information regarding the urban-rural and urban-urban divide and/or documentation of coverage holes in cellular coverage.*
7. *Provide citations, links, and references to third-party research or data sources and studies relating to landline dependency in low population density areas.*
8. *Provide citations, links, and references to third-party research or data sources and studies covering drivers for adoption of services other than ILEC wireline telecommunication services.*
9. *Provide citations, links, and references to third-party research or data sources and studies covering the adoption of services other than ILEC wireline telecommunication services by low income households and senior citizens.*

CUB Response:

Questions 3-9 request peer-reviewed and validated third-party research regarding several topics. To be clear, the lack of Oregon-specific analysis presents a challenge to answering these questions. That said, beyond the [Local Telecommunications Competition Survey and Annual Report](#) and [Oregon Statewide Broadband Assessment and Best Practices Study](#), CUB has found the following resources particularly helpful:

- [Analysis: Digital Divide Isn't Just a Rural Problem](#)
- [Social Distancing, Internet Access, and Inequality](#)
- [The Ability to Pay for Broadband](#)
- [The Economics of Universal Service: An Analysis of Entry Subsidies for High Speed Broadband](#)

CUB appreciates the opportunity to participate in this important public process and submit these answers. We welcome any follow-up questions from Staff or other stakeholders.

Respectfully,

Samuel Pastrick
Advocacy and Development Manager

Mike Goetz
General Counsel