

OPUC COLR Workshop #3

May 14, 2020



MEMBERSHIP

- OCTA's members are cable companies that utilize capacity on their cable systems to provide, in addition to cable, broadband and other services. Voice over Internet Protocol (VoIP) service is also provided to residential and business customers in Oregon.
- Many of these customers purchase VoIP service as part of a bundle that includes one or more other services, including;
 - Cable
 - Broadband Internet Access
 - Home Security
 - Wireless

COMPETITIVE MARKET

- With respect to their VoIP services, OCTA members compete directly with incumbent local exchange companies (ILECs), competitive local exchange carriers (CLECs) and wireless carriers.
 - OCTA members also face competition for their cable, broadband and wireless services from ILECs, CLECs, wireless carriers and satellite companies.
- OCTA members are competitive entrants into the voice telephony markets previously served exclusively by ILECs under protected monopolies. OCTA members are not the last resort for customers in Oregon but provide a competitive alternative to other providers.

HOW ARE WE DIFFERENT THAN ILECS?

Unlike ILECs, OCTA members are not allocated territories by the PUC pursuant to ORS 759.500 and are not subject to the carrier of last resort obligations in ORS 759.506.

OCTA members do not receive support from either the Oregon Universal Service Fund (“OUSF”) or the federal universal service fund (“FUSF”). However, some OCTA member companies voluntarily pay the OUSF surcharge on their VoIP revenues.

FRANCHISES

- Pursuant to federal law, OCTA members obtain franchises from local jurisdictions (e.g., municipalities and counties) authorizing the construction of their cable systems in the public rights of way. These franchises govern the construction, maintenance and extension of the cable systems and include numerous conditions, including such items as build-out, safety and reliability requirements.
- The grant of a cable franchise authorizes a cable operator, or its affiliates, to provide not only cable service, but also any non-cable service that can be provisioned over the cable system, including but not limited to broadband, VoIP, telecommunications, cellular backhaul, home security, etc. *See Third Report and Order in Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992*, FCC Dkt. No. 05-311 (released August 2, 2019).

PUC REGULATION

The Commission does not regulate OCTA members' VoIP, broadband, cable, home security or wireless services.

OCTA member companies (often through separate subsidiaries) provide certain wholesale telecommunications services pursuant to certificates of authority issued by the PUC. These are the only services over which the Commission has jurisdiction.



CONSIDERATION
S

- HB 3065 directs the Commission to investigate the continuing relevance of carrier of last resort obligations. In other words, do “developing industry trends, technologies and policy drivers” warrant relieving ILECs of COLR obligations in some measure.
- One of the policy considerations the Commission should keep in mind as part of this investigation is the relationship between **COLR relief and OUSF support**.
- The Commission has opened docket UM 2040 to review the OUSF. That review should be informed by this process and vice versa.