Decision 83 03 008 MAR 2 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own) motion into the effects of competition) upon local and toll exchange service,) including the issues of intra and inter-LATA competition, access charges,) bypass, and methods of regulating competitive markets.

OII 83-02-01 (Filed February 24, 1983)

OPINION AND ORDER MODIFYING ORDER INSTITUTING INVESTIGATION AND SETTING HEARING

On February 24, 1983 we issued an Order Instituting
Investigation (OII) commencing this proceeding. It encompasses the
entire subject of future regulation of the telecommunications
industry. The purpose of this decision is to clarify the procedure
to be used in the OII. The scope of the substance remains unchanged.
On the first page of the OII, we stated that its purpose

is:

"...to receive comments from parties on what the Commission should be doing both in its own proceedings, and in its presentations before agencies in Washington D.C. to respond to these changes. The first step of this process will be legislative-type hearings to give those interested and affected an opportunity to present written and oral testimony before the Commission. These hearings will help the Commission to develop policy positions for individual cases and to decide how to formulate additional proceedings, as necessary." (Emphasis added.)

Upon review of some of the Ordering Paragraphs at the end of the OII, we believe we may have caused uncertainty on whether we really are conducting legislative-type hearings or evidentiary hearings.

Procedurally, what we wish is verified statements on one or more specific telecommunications problems, followed by hearings of no more than two or three days at which, to the extent possible, the Commission can sit en banc and have presented to it a summation of major problems and suggested solutions.

To clarify our aims, the oral statements will not be under oath. The OII used the word "testimony" to emphasize that we wish something other than mere general argument. We are adequately informed on the basic principles involved in <u>United States v</u>

AT&T, the FCC's <u>Second Computer Inquiry</u>, and other major legal proceedings. We wish to discourage statements of counsel containing extensive legal material, and encourage statements from knowledgable persons on economic, social, telephone service, and competitive problems which we will be facing in the future. For example, utility respondents are urged to present statements from executive-level persons who will be concerned with policy-making decisions flowing from the restructuring of the telecommunications industry.

We conclude that for clarification and to expedite this proceeding, our OII should be modified as set forth in the following order.

IT IS ORDERED that Ordering Paragraphs 3 through 9 of the OII issued in this proceeding on February 24, 1983 are modified to read as follows:

3- The Pacific Telephone and Telegraph Company (Pacific), General Telephone Company of California (General), and Continental Telephone Company of California (Continental) shall be required to present oral statements through one or more officers of each company. The remaining respondent telephone companies are also required to make an oral presentation but may combine their efforts through one or more designated representatives. The respondent telephone companies shall also be required to file an original and 12

copies of verified written comments with a certificate of service with the Commission's Docket Office. However, all of the respondent telephone companies other than Pacific, General, and Continental may combine their written statements to the Commission. All written statements shall be verified and filed with the Commission no later than four weeks from the date of this OII. Statements from respondents will provide the names of those speaking, and the amount of time required for oral presentation.

- 4. Any other interested person may participate in this OII by filing an original and 12 copies of verified written statements with the Commission's Docket Office within four weeks from the date of this OII and by giving oral statements. However, any person wishing to make an oral statement must first make a timely filing of a written statement.
- 5. Those persons who wish to present oral statements shall, at the time of filing of written statements, indicate their intention to present oral testimony and shall provide the names of those speaking, and the amount of time required for oral presentation.
- 6. The Commission will hear the oral statements en banc at the Commission Courtroom, 350 McAllister Street, San Francisco, California, at 9:30 a.m. April 26, 1983, and at such time to be set (if necessary to accommodate those wishing to speak) on April 27 and April 28, 1983. Additional hearing days may be set as necessary.
- 7. Subsequent to the hearing of oral statements, the Commission may issue an interim order addressing the issues set forth herein, and will determine at that time the necessity for evidentiary hearings.

- 8. All respondents are made parties to this proceeding. Those persons who are not respondents but participate in the written and oral portion of this proceeding and who file an appearance at the hearing shall be designated as parties.
- 9- Oral statements will not be under oath, and no cross-examination will be permitted. Questions may be asked by the Commissioners and the Administrative Law Judge.

This order is effective today.

Dated ______, at San Francisco, California.

LEONARD M. GRIMES, JR.
Prosident
VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
Commissioners

1

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TOLAY.

Joseph E. Bodovitz, Executive