

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Consider
Effectiveness and Adequacy of the
Competitive Bidding Rule for Issuance of
Securities and Associated Impacts of General
Order 156, Debt Enhancement Features, and
General Order 24-B.

Rulemaking 11-03-007
(Issued March 16, 2011)

**OPENING COMMENTS ON THE DRAFT WORKSHOP REPORT OF THE
CALIFORNIA ASSOCIATION OF COMPETITIVE TELECOMMUNICATIONS
COMPANIES**

FEBRUARY 3, 2012

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Pursuant to the Administrative Law Judge's electronic ruling dated January 10, 2012, the California Association of Competitive Telecommunications Companies (CALTEL) respectfully submits the following brief comments on the Draft Workshop Report. CALTEL appreciates the efforts of Southern California Edison, Southern California Gas, San Diego Gas and Electric, Pacific Gas and Electric, and Southwest Gas in preparing the Draft Workshop Report for parties' review and comments.

I. COMMENTS

The Draft Workshop Report accurately reflects the attendance of CALTEL's Executive Director at the January 9, 2012 workshop in this proceeding. However, Ms. DeYoung's comments and discussion with Administrative Law Judge Wilson and Commissioner Simon were somewhat truncated in the Draft Workshop Report, and CALTEL requests that the portion of the report that deals with her comments on pages 15-16 be replaced with the following:

Sarah DeYoung of CALTEL discussed the proposal that CALTEL made in its Pre-Workshop statement that a specific exemption for Competitive Local Exchange Carriers (CLECs) be added to the Draft Revised Rules. Commissioner Simon asked Ms. DeYoung whether she was requesting an exemption for all CLECs, or just for smaller carriers. Ms. DeYoung responded that all CLECs are exempt from the provisions of Public Utility Code §§ 816-818, which are the statutes mandating Commission approval of long-term debt for public utilities.

ALJ Wilson noted that she had reviewed CALTEL's proposal, and asked Ms. DeYoung if the language in Rule 1(d) which specifies that competitive bidding is not required if it is "inapplicable pursuant to another California Public Utilities Commission order, decision or rule" was not sufficient. Ms. DeYoung replied that CALTEL normally would have viewed this language as sufficient in light of the statutory exemptions, but the fact that all Local Exchange Carriers had been made respondents to the proceeding indicated that a more explicit exemption might be required. Ms. DeYoung also noted that the URF ILECs (AT&T, Verizon and SureWest) had made a similar proposal in their joint Pre-Workshop statement.

II. CONCLUSION

CALTEL again thanks the utilities that prepared the Draft Workshop Report for their efforts, and appreciates the opportunity to participate in the workshop and to comment on the Draft Workshop Report. CALTEL recommends that the discussion of its proposed exemption found on pages 15-16 of the report be replaced with the two paragraphs shown above.

February 3, 2012

/s/ Richard H. Levin

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