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5	BEFORE THE PUBLIC UTILITIES COMMISSION
6	OF THE STATE OF CALIFORNIA
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9	Order Instituting Rulemaking on the Commission's Own Motion to Comply with the Mandates of Senate Bill 1563 regarding deployment of Advanced Telecommunications  R. 03-04-003
10	Technologies.
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12	REPLY COMMENTS OF
13	CITIZENS TELECOMMUNICATIONS COMPANY OF CALLEOPNIA, INC. (IL 1024 C) d/b/o
14	OF CALIFORNIA, INC. (U-1024-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF CALIFORNIA
15	CITIZENS TELECOMMUNICATIONS COMPANY OF THE GOLDEN STATE (U. 1025-C) d/b/9
16	OF THE GOLDEN STATE (U- 1025-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF THE GOLDEN STATE
17	CITIZENS TELECOMMUNICATIONS COMPANY OF THOU HMNF (U-1023-C) d/b/2
18	OF TUOLUMNE (U-1023-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF TUOLUMNE
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28	June 30, 2003

COOPER, WHITE & COOPER LLP ATTORNEYS AT LAW 201 CALIFORNIA STREET SAN FRANCISCO 94111

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to Comply with the Mandates of Senate Bill 1563 regarding deployment of Advanced Telecommunications Technologies.

R. 03-04-003

### REPLY COMMENTS OF

CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC. (U-1024-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF CALIFORNIA

CITIZENS TELECOMMUNICATIONS COMPANY OF THE GOLDEN STATE (U- 1025-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF THE GOLDEN STATE

CITIZENS TELECOMMUNICATIONS COMPANY OF TUOLUMNE (U-1023-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF TUOLUMNE

#### PURSUANT TO ORDER INSTITUTING RULEMAKING

Citizens Telecommunications Company of California, Inc. (U-1024-C) d/b/a
Frontier Communications Company of California, Citizens Telecommunications Company of the
Golden State (U-1025-C) d/b/a Frontier Communications Company of the Golden State, and
Citizens Telecommunications Company of Tuolumne (U-1023-C) d/b/a Frontier Communications
Company of Tuolumne (collectively, the "Frontier Companies") hereby file their reply comments in
the above-referenced Order Instituting Rulemaking ("OIR") adopted on April 3, 2003. The Frontier
Companies file these reply comments to address select issues raised by parties in their opening
comments. In particular, the Frontier Companies note: 1) that many of the commenting parties fail
to take into account the limited jurisdiction the Commission possesses over providers of advanced
telecommunications technologies; 2) creation of a "Blue Ribbon Task Force" is not necessary; 3)
the Commission should decline to address issues that are currently under consideration in other

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open dockets; 4) notwithstanding inflammatory rhetoric regarding the alleged potential for abuse of the Universal Lifeline Telephone Service ("ULTS") fund, the Commission should acknowledge that policy decisions regarding who must pay how much for access to advanced technologies must be considered before issuing mandates; 5) that technology neutral policies should be adopted by the Commission; 6) that The Utility Reform Network is correct to observe that mere deployment of advanced telecommunications technology does not ensure access to such technology; and 7) that the Commission should consider expanding eligibility to participate in the California Teleconnect Fund ("CTF") to as many community-based organizations as possible.

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# II. THE COMMISSION'S SHOULD ACCOUNT FOR ITS LIMITED JURISDICTION WHEN CONSIDERING ITS ROLE IN ENCOURAGING ACCESS TO ADVANCED TECHNOLOGIES.

Several parties embrace the principle that the Commission should proactively participate in ensuring access to advanced telecommunications technologies. For example, Latino Issues Forum/Greenling Institute ("LIF/GI") encourage the Commission to extract "...settlements or agreements with telecommunications companies appearing before it in which companies pledge to provide free or substantially reduced advanced telecommunications technologies to low-income customers . . . ." See LIF/GI Opening Comments, p. 5. However, such an approach creates competitive imbalances because the Commission is in no position to extract such concessions from other potential providers of advanced telecommunications technologies such as cable television operators, wireless carriers, or satellite video distributors. Similarly, the California Community Technology Policy Group ("CCTPG") suggests that the Commission should adopt policies that account for participation by cable and satellite providers. See CCTPG Opening Comments, p. 7. The CCTPG comments suggest that mandates imposed by the Commission on entities within its jurisdiction could be imposed by local and federal jurisdictions on those entities outside its jurisdiction. The Frontier Companies are skeptical that such regulatory symmetry will be obtained any time soon and urge the Commission to refrain from issuing mandates that cannot be evenly applied to all potential providers of advanced telecommunications technologies.

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#### COOPER, WHITE & COOPER LLP ATTORNEYS AT LAW 201 CALLEGRAVA STREET

# III. THE FRONTIER COMPANIES OPPOSE CREATION OF A "BLUE RIBBON TASK FORCE."

The Frontier Companies oppose the suggestion of several parties that the Commission should establish a "Blue Ribbon Task Force" to consider issues related to the potential barriers related to the availability of advanced telecommunications technologies. This OIR was opened to generate a record on the very topics that the proposed task force would address. Any potential members of the task force have the opportunity to submit their views into the record. If additional time is needed to allow such individuals the opportunity to air their views in the record of this proceeding, the Frontier Companies are not opposed. However, the Frontier Companies are opposed to the creation of a group that would likely be highly political and subject to open meeting laws. The creation of such a "Blue Ribbon Task Force" would be an expensive proposition for interested parties, particularly if the proposal to "... hold a series of workshops throughout the state to solicit and incorporate community comments ...," were adopted. In truth, the Commission is the "Blue Ribbon Task Force" that must digest the comments of interested parties and generate a policy decision as directed by the Legislature. Creating a secondary panel would unnecessarily add an additional layer of decision-making with little added benefit to the Commission's administrative process.

# IV. THE COMMISSION SHOULD NOT EXPAND THE SCOPE OF THIS PROCEEDING TO CONSIDER ISSUES CURRENTLY ADDRESSED IN OTHER ACTIVE PROCEEDINGS.

Opening comments filed by MCI/Covad provide voluminous, intricate discussion regarding why the Commission must issue an order requiring carriers to unbundle their networks to encourage the availability of advanced telecommunications technologies. LIF/GI contend that the Commission must issue linguistic mandates to carriers and modify complaint resolution processes to encourage deployment of and access to advanced telecommunications technologies. *See* LIF/GI Opening Comments, p. 10. The similarity shared by these parties' comments is that they address issues that are squarely addressed by other open Commission proceedings. Unbundled network elements

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("UNEs") are the primary focus of the Commission's OANAD proceeding. Furthermore, the Commission will likely find itself grappling with UNEs as a result of the Federal Communications Commission's recent decision in its triennial review, the text of which will be released any day now. Carrier language requirements are a controversial issue that are before the Commission in the consumer protection rulemaking. The Commission has a substantial record before it on language requirements in that proceeding. For these reasons, the Commission should not take up these issues in this proceeding.

# V. CONCERNS ABOUT THE ULTS PROGRAM SUGGEST THAT ISSUES TO BE ADDRESSED IN THIS PROCEEDING ARE MORE APPROPRIATELY HANDLED BY THE LEGISLATURE.

LIF/GI warns the Commission that the ULTS program should be managed prudently so as not to become a "cash cow" as a result of a Commission decision to include ULTS in its plan to encourage access to advanced telecommunications technologies. While the Frontier Companies agree that the ULTS program should only apply to basic service, the use of inflammatory rhetoric such as "cash cow" casts the ULTS program and the carriers who participate in it in a negative light, distracting attention from the legitimate issues surrounding any proposal for a ULTS-like program for encouraging access to advanced telecommunications technology. Fundamental to LIF/GI's concerns regarding the ULTS program are issues of who should pay for Commission endeavors to increase access to advanced telecommunications technology. At bottom, this is a substantial social issue that is likely more appropriately addressed by the legislature. Accordingly, to the extent the Commission develops proposals that require significant funding obligations, the Frontier Companies recommend that the Commission obtain approval from the legislature before embarking on a program that will have significant social impacts.

### VI. THE COMMISSION MUST ADOPT TECHNOLOGY NEUTRAL POLICIES.

The Frontier Companies agree with the Office of Ratepayer Advocates that the Commission should be technology neutral in any of its undertakings to encourage access to advanced

COOPER, WHITE & COOPER LLP ATTORNEYS AT LAW 201 CALIFORNIA STREET SAN FRANCISCO 94111 telecommunications technology. For example, not long ago it appeared that ISDN would become a primary technology for providing broadband access to residential subscribers. However, technological developments overtook ISDN, making DSL the currently preferred technology for residential broadband access offered by telephone companies and cable modem service a forceful competitor in the residential broadband market. Accordingly, the Commission should not commit to a particular technology in any of the policy decisions it may issue in this proceeding.

# VII. MERE DEPLOYMENT OF ADVANCED TECHNOLOGY DOES NOT ENSURE ACCESS TO SUCH TECHNOLOGY.

The Frontier Companies agree with a premise relied upon by TURN, specifically, that deployment of advanced technology is only part of the problem of bridging the "digital divide." While deployment of broadband facilities has occurred throughout much of California, including in the Frontier Companies' service areas, such deployment has not necessarily resulted in a similar level of subscription by end-users. The market for broadband access is relatively young, and it is not absolutely clear what will drive the demand for such services. Accordingly, the Commission must understand the underpinnings of both current and future demand for advanced telecommunications technology before it can devise a plan to ensure that such demand is met.

# VIII. THE COMMISSION SHOULD CONSIDER EXPANDING ELIGIBILITY FOR THE CTF TO ENCOURAGE ACCESS TO ADVANCED TECHNOLOGIES.

The Frontier Companies reiterate their position that the Commission should closely examine the possibility of expanding the CTF to include a larger group of non-profit organizations capable of providing access to advanced technologies to individuals who may not have access to such services at their homes. Possible non-profits that could provide such access are churches, local boys and girls clubs, and similar neighborhood organizations that might not satisfy the technical requirements applied under the CTF's current eligibility standards.

#### IX. CONCLUSION.

The Frontier Companies remain opposed to any Commission mandate that endorses a particular technology or substitutes the Commission's judgment for that of company executives tasked with making deployment decisions. As mentioned in their opening comments, the Frontier Companies remain concerned that the Commission address the issue of cost recovery associated with any mandate it may originate in this proceeding, including who will pay for such mandates. With respect to opening comments of interested parties, the Frontier Companies oppose the creation of a "Blue Ribbon Task Force" and expanding this proceeding to include topics that are currently addressed in other Commission proceedings. Finally, the Frontier Companies support expanding the CTF to include the broadest scope of non-profit organizations that could potentially encourage access to advanced telecommunications technologies.

Executed at San Francisco, California this 30th day of June 2003.

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#### **CERTIFICATE OF SERVICE BY MAIL**

I, Janet Doherty, declare:

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is COOPER, WHITE & COOPER LLP, 201 California Street, Seventeenth Floor, San Francisco, CA 94111.

On June 30, 2003, I served the foregoing

#### REPLY COMMENTS OF

CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC. (U-1024-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF CALIFORNIA

CITIZENS TELECOMMUNICATIONS COMPANY
OF THE GOLDEN STATE (U- 1025-C) d/b/a
FRONTIER COMMUNICATIONS COMPANY OF THE GOLDEN STATE

# CITIZENS TELECOMMUNICATIONS COMPANY OF TUOLUMNE (U-1023-C) d/b/a FRONTIER COMMUNICATIONS COMPANY OF TUOLUMNE

#### PURSUANT TO ORDER INSTITUTING RULEMAKING

by placing a true and correct copy thereof with the firm's mailing room personnel for mailing in accordance with the firm's ordinary practices to the parties on the CPUC's service list in this proceeding. An Adobe Acrobat PDF version of this document was also served via e-mail on those parties on this service list who provided an e-mail address.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 30, 2003, at San Francisco, California.

Janet Doherty

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