

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

**APPLICATION OF JOYCE E. DAVIDSON,)
DIRECTOR OF THE PUBLIC UTILITIES)
DIVISION, OKLAHOMA CORPORATION)
COMMISSION, TO INITIATE A PROCEEDING) CAUSE NO. PUD 200300646
FOR THE IMPLEMENTATION OF THE)
FEDERAL COMMUNICATIONS)
COMMISSION’S TRIENNIAL REVIEW ORDER)**

SUMMARY OF TESTIMONY OF MARILYN ANDERSON

The FCC has given this Commission the authority and responsibility to play a fact-finding role in order to determine if competing carriers are impaired without access to unbundled local circuit switching when serving the mass market. My testimony relates to Staff’s initiative to carry out the FCC’s directive by: 1) defining the appropriate markets for analysis; 2) determining the appropriate cut-off for multi-line DS0 customers; 3) performing an impairment analysis using FCC defined triggers; and 4) considering other operational and economic factors that may impair CLECs’ ability to profitably serve the mass market in Oklahoma.

The FCC delegated to State commissions the duty to define the relevant geographic markets for impairment analysis. States were instructed to define markets on a granular basis. Staff recommends that the Commission define geographic markets at the exchange level, for the purpose of its impairment analysis. My testimony demonstrates that the exchange meets the FCC’s market definition criteria, and is consistent with the geographic market definition previously used by this Commission to evaluate local competition.

The FCC directed state commissions to determine the appropriate cut-off for multi-line DS0 customers. States were instructed to consider the point where it makes economic sense for a multi-line DS0 customer to be served via a DS1 loop. Staff recommends that the Commission establish a DS0 crossover point of ten lines. This crossover point classifies customers with ten or more DS0 lines as part of the enterprise market, and customers with less than ten DS0 lines as part of the mass market. Staff’s

recommendation is based on the point at which a small business customer, with multiple DS0s, could be served more efficiently with a DS1.

The FCC made a national finding of impairment with respect to mass market switching. SBC challenged the FCC's national finding of impairment with respect to mass market switching in Oklahoma, by identifying four carriers in the Oklahoma City MSA/WACP and three carriers in the Tulsa MSA/WACP that they believe have satisfied the FCC's self-provisioning trigger. SBC did not seek relief under the FCC's competitive wholesale facilities trigger or under the potential deployment test.

Staff's impairment analysis involved soliciting information from the CLECs identified by SBC as having met the FCC's self-provisioning trigger. Staff reviewed the information provided by CLECs to determine if they met the various criteria prescribed by the FCC to satisfy the self-provisioning trigger. Based on the information provided by the parties, it is Staff's position that only a *de minimis* number of mass market customers in Oklahoma are being served by CLECs using self-provisioned switching. The data reveals that the self-provisioning trigger has not been met in any Oklahoma market. Staff recommends that the Commission confirm the FCC's finding that CLECs are impaired without access to the ILEC's unbundled local circuit switching when serving the mass market in Oklahoma.