

Filed Session of March 14, 2013
Approved as Recommended
and so Ordered
By the Commission

JEFFREY C. COHEN
Acting Secretary

Issued and Effective March 18, 2013

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

March 12, 2013

TO: THE COMMISSION

FROM: OFFICE OF TELECOMMUNICATIONS

SUBJECT: Case 13-C-0015– Petition of AT&T Communications of New York, Inc. to Relinquish its Designation as an Eligible Telecommunications Carrier.

SUMMARY OF

RECOMMENDATION: Staff recommends that AT&T Communications of New York, Inc.'s petition to cancel its designation as an eligible telecommunications carrier be approved and that the case be continued.

SUMMARY

By petition dated January 14, 2013, AT&T Communications of New York, Inc. requests cancellation of its designation as an eligible telecommunications carrier under §214(e)(4) of the federal Telecommunications Act of 1996. Staff recommends that the Commission approve the petition, with the extended customer notification timeframes, as discussed below.

BACKGROUND

AT&T Communications of New York, Inc. (AT&T) was granted designation as an eligible telecommunications carrier (ETC) by this Commission on July 7, 2003 in Case 03-C-0450 for the purposes of determining universal service obligations and eligibility to receive federal universal service funding, pursuant to §§214 and 254 of the federal Telecommunications Act of 1996 (the Act).

AT&T'S PETITION

By petition dated January 14, 2013, AT&T requests cancellation of its designation as an ETC pursuant to §214(e)(4) of the Act. The company states that, as a result of recent changes to the federal Lifeline reimbursement system, it no longer has any business need to continue its ETC status in New York. The company originally requested that its ETC status be cancelled effective March 31, 2013, but subsequently moved the requested effective date to June 1, 2013 to give AT&T's current Lifeline customers adequate notice that the discounted rate for Lifeline service will no longer be available and to give those customers an opportunity to transfer to another Lifeline service provider.

AT&T agreed to send letters, following Commission approval of its petition, notifying the company's current Lifeline customers that they would be losing their Lifeline discount as of May 1, 2013, and that, after this date, would be billed the full tariffed rate for basic service if they choose not to find an alternate Lifeline provider. The reason for the gap between the May 1, 2013 cutoff date mentioned in the letters and the proposed June 1, 2013 cancellation date of the company's ETC designation is to allow sufficient time for both AT&T's exiting Lifeline customers and the company itself to complete all necessary transactions so that AT&T can start to charge the remaining Lifeline customers at the non-discounted rate beginning June 1, 2013.

DISCUSSION

Section 214(e)(4) of the Act requires a state commission to allow a previously designated ETC to relinquish its ETC status “in any area served by more than one eligible telecommunications carrier.” An ETC is required to give the state commission advance notice, and prior to allowing the cancellation of an ETC designation in an area served by more than one ETC provider, the state commission must ensure that 1) remaining ETC(s) will serve any current customers of the relinquishing ETC and 2) sufficient notice is given to the remaining ETC(s) to permit purchase or construction of facilities by any remaining ETC.

Staff has examined AT&T’s petition and finds that the company meets the requirements of §214(e)(4) of the Act. Verizon New York Inc. (Verizon) was designated an ETC in 1997.¹ In 2003, AT&T was designated an ETC in the same service territory as Verizon.² According to AT&T, as of January 1, 2013, all of AT&T’s current Lifeline customers reside within Verizon’s territory; therefore, the area served by AT&T is being served by more than one ETC. Staff expects that Verizon and other remaining ETCs, who are required as part of their ETC designations to make Lifeline service available to any qualifying customer, will provide service to the current AT&T Lifeline customers.

AT&T has agreed to send letters to its current Lifeline customers notifying them that they will be losing their Lifeline discount as a result of AT&T’s ETC relinquishment. Because these letters should allow ample time and opportunity for AT&T’s Lifeline customers to switch to another ETC-designated Lifeline service provider before the actual cancellation of the company’s ETC designation, the timeframes proposed by AT&T need to be extended. An initial

¹ Case 94-C-0095, Order Designating Eligible Telecommunications Carriers and Service Areas, and Granting Waivers (issued December 1, 1997).

² Case 03-C-0450, Petition of AT&T Communications of New York, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214 of the Federal Telecommunications Act of 1996 (issued July 7, 2003).

notification period for Lifeline end users of 60 days should commence April 1, 2013, which will allow Staff and AT&T to consult on the text of the customer notification letters. A second notice will be sent to the Lifeline customers 30 days after the initial letter reminding them of dates for AT&T's final ETC relinquishment and cancellation of the tariffed Lifeline discount. After the initial 60 days, AT&T would then complete all necessary transactions and its ETC status would be relinquished July 1, 2013. The Office of Consumer Policy (Patrice O'Connor) has reviewed this memo.

CONCLUSION

As discussed above, Staff concludes that AT&T has met the requirements of §214(e)(4) of the Act, and that the Commission should cancel the company's designation as an ETC in New York State.

RECOMMENDATION

It is recommended that:

1. The Commission approve the petition of AT&T Communications of New York, Inc. to cancel its designation as an eligible telecommunications carrier in New York State, as discussed above, and that the case be continued.

Respectfully submitted:

DAVID W. CRAMER
Utility Analyst II (Telecom)
Office of Telecommunications

Reviewed by:

MAUREEN McCAULEY
Assistant Counsel
Office of General Counsel

Approved by:

GREGORY C. PATTENAUDE
Chief, Carrier Operations
Office of Telecommunications