



Oregon Citizens' Utility Board

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**Testimony of Samuel Pastrick regarding HB 3065
Before the House Committee on Energy and Environment
Chair Helm, Vice Chairs Schouten and Reschke, and members of the Committee**

My name is Sam Pastrick and I'm the Outreach Manager at Oregon Citizens' Utility Board (CUB).

I'm speaking today to encourage your support for HB 3065 with the -1 amendment. HB 3065 is straight forward legislation that would compel the Oregon Public Utility Commission (OPUC) to conduct a transparent, public proceeding to investigate the continuing relevance of local exchange telecommunications service providers' Carrier of Last Resort (COLR) obligation in Oregon.

The overarching goal of HB 3065 (with the -1 amendment) is for the OPUC to investigate, with broad stakeholder input, the extent to which their existing regulatory system and incentive structure ensures adequate and reasonable access for residential customers to telecommunications service throughout all parts of the State. The focus of this public process will be to investigate possible changes to the existing system that could both accommodate an ever-evolving telecommunications industry while, at the same time, not compromising residential customers' access to reliable, safe, affordable, and non-discriminatory telecommunications service.

Background:

The notion that a state designates a specific carrier or set of carriers as COLRs is a historic cornerstone of any utility service regulation. COLRs benefit the public at large by ensuring access and availability to such critical utility services as electricity, water, and telecommunications - for all customers, regardless of both their geographic location and social circumstance.

As defined in Oregon statute, the sole purpose of a telecommunications utility's (or other PUC-certified entity providing local exchange telecommunications service) COLR obligation is to ensure that such companies/entities provide (1) adequate and safe service; and (2) serve all customers in an adequate and nondiscriminatory manner.

Many state legislatures, including Oregon's, began enforcing COLR requirements after passage of the 1996 federal Telecommunications Act. Since 1999, Oregon has improved the economics of "high-cost" service through the ratepayer-supported Oregon Universal Service Fund.

In these 20 years, however, the telecommunications market has changed. I strongly suspect a strong majority of us in this hearing room today are in fact carrying a computer, in our shirt or pant pocket no less, that is as much or more powerful than our home PC from just a decade ago.

Real World Implications:

While this may be true for a majority of folks in this room, it's most certainly not true for everyone and in every community around Oregon. That is, truly competitive voice service markets do indeed exist in many areas of our state. These areas, however, often have high-population densities.

Point being, constituencies of residential customers who - whether due to geographic location or social circumstance - still exist and remain unable to participate in a truly competitive voice service market similar that which is currently available in high-population density communities.

Yet it's worth highlighting once more that the telecommunications industry and larger market has undergone significant change - especially in recent years - due to rapid technological innovation. Incumbent carriers like CenturyLink and Frontier are no longer monopoly service providers and, to be clear, they are not regulated as such.

CUB, therefore, supports having an honest, well-considered, and stakeholder-driven discussion about the role of COLR obligations as they relate to voice service. Our concern, ultimately, is that without having such a conversation, legislation may eventually pass through this body that applies a sledge-hammer when and where a scalpel is more appropriate.

Thank you for considering my testimony. I'm happy to answer any questions.

Samuel Pastrick
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