



Oregon Citizens' Utility Board

610 SW Broadway, Suite 400
Portland, OR 97205

(503) 227-1984
www.oregoncub.org

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Testimony of Samuel Pastrick

Regarding HB 3065

Before the Senate Committee on Business and General Government

Chair Riley, Vice Chair Girod, 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 the A-Engrossed version of HB 3065. This bill represents straight forward legislation compelling the Oregon Public Utility Commission (PUC) 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 goal of HB 3065 is for the PUC to conduct an investigation with broad stakeholder input to explore the extent to which their existing regulatory system 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 evolving telecommunications industry while, at the same time, not compromising residential customers' access to reliable, safe, affordable, and non-discriminatory service.

Background:

The notion that a state designate 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 their geographic location and social circumstance.

As defined in Oregon statute, the sole purpose of a telecommunications utility's (or other OPUC-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. Oregon has for 20 years paid for 'high-cost' support 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 personal computer 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. Those areas, however, are generally high-density population zones like Portland, here in Salem, Eugene, and Bend.

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 to that which is currently available in high-density population communities.

Yet the telecommunications industry has undergone significant change - especially in recent years - due to rapid technological innovation. Incumbent telephone carriers like CenturyLink and Frontier are no longer monopoly service providers, and they are not regulated as such. CUB supports having an honest and well-considered discussion about the role of COLR obligations as they relate to voice service and believes HB 3065 is the appropriate vehicle.

Samuel Pastrick
Outreach Manager
Oregon Citizens' Utility Board