BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Verizon Avenue Corp. (U 6584 C) to Withdraw Its Provision of Resold Local Exchange Service and Relinquish Its Certificate of Public Convenience and Necessity.	Application 06-02-001 (Filed February 2, 2006)

ADMINISTRATIVE LAW JUDGE'S RULING ORDERING PARTIES TO IMPLEMENT DEFAULT CARRIER AGREEMENT

This ruling orders Verizon Avenue Corp. (Verizon Ave.) and Pacific Bell Telephone Company d/b/a AT&T California (AT&T) to implement the terms of their agreement governing default carrier and related migration issues. This ruling further orders Verizon Ave. and AT&T to present draft final customer notice and welcoming letters to Commission staff for review.

Background

Verizon Ave. filed this application to exit the local voice market. Verizon Ave. proposed to use the Draft Mass Migration Guidelines issued in R.03-06-020, and the assigned Commissioner authorized use of the guidelines in a February 22, 2006 ruling. AT&T, the underlying carrier for Verizon Ave.'s customers, filed a response to the application on March 8, 2006. Although AT&T did not oppose the application, AT&T opposed being designated a default carrier for Verizon Ave. customers who did not choose an alternate local exchange provider.

Verizon Ave. provided the required customer notice. The 30-day notice letter was sent on March 24, 2006. In that letter, customers were notified that the Commission might appoint a default carrier to serve them should they fail to

select an alternate provider. However, a substantial number of customers did not choose a new carrier. On April 21, 2006, I ordered the parties to meet and confer to discuss the transfer of Verizon Ave.'s remaining customers to AT&T and compensation for that transfer.

Verizon Ave. and AT&T reached agreement on compensation and related migration issues. In a May 9, 2006 letter, Verizon Ave. and AT&T noted the terms of that agreement, which include:

- Compensation of $4.75 per migrated customer consistent with AT&T's California billing record change order charge
- Third customer notice letter from Verizon Ave
- Welcoming letter from AT&T
- Transfer of local service and vertical features only

Verizon Ave. and AT&T note that the migration of remaining customers will require sharing certain customer-specific information, which might constitute protected customer proprietary network information. They request guidance on how to proceed.

Discussion

The parties' agreement on compensation and other migration issues is reasonable and should be implemented. However, the agreement presents some issues that require further guidance. First, the sharing of customer-specific information is necessary in order to transfer local service and associated vertical features. This sharing of information does not appear to raise privacy issues. Customers were notified that the Commission might appoint a default carrier to serve them should they not choose another carrier. I ordered Verizon Ave. and AT&T to discuss transferring Verizon Ave.'s customers to AT&T. Verizon Ave.'s

remaining customers will receive a letter from Verizon Ave. notifying them of the required transfer to AT&T.

Second, Verizon Ave. and AT&T will be sending additional letters to Verizon Ave.'s remaining customers. Prior letters were sent to and approved by Commission staff. Drafts of these additional letters also should be presented to Commission staff for review. Because AT&T only will provide local service and vertical features to Verizon Ave.'s customers, these letters should include information on what will be transferred and on what steps Verizon Ave.'s customers, who currently use Verizon Ave. as their toll and long distance provider, must take to continue toll and long distance service.

IT IS RULED that Verizon Ave. and AT&T shall implement their agreement governing default carrier compensation and related migration issues as set forth herein**.**

Dated May 12, 2006, at San Francisco, California.

/s/ JANICE GRAU
Janice Grau
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Ordering Parties to Implement Default Carrier Agreement on all parties of record in this proceeding or their attorneys of record.

Dated May 12, 2006, at San Francisco, California.

/S/ JOYCE TOM
Joyce Tom

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.