

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER S-36167

**BELLSOUTH TELECOMMUNICATIONS, LLC, d/b/a AT&T LOUISIANA,
EX PARTE**

Docket No. S-36167, In re: Petition for Order Confirming Relinquishment of Eligible Telecommunications Carrier Designation in Specified Areas.

(Decided at the January 25, 2022 Business and Executive Session.)

ORDER

I. OVERVIEW AND PROCEDURAL HISTORY

On October 12, 2021, BellSouth Telecommunications, LLC d/b/a AT&T Louisiana (“AT&T Louisiana”, or “Company”) filed a petition (“Petition”) seeking an order of the Louisiana Public Service Commission (“LPSC” or “Commission”) permitting relinquishment of its Eligible Telecommunications Carrier (“ETC”) designation for the remaining portion of its service area in Louisiana. AT&T Louisiana requested the relinquishment be effective March 31, 2022. Notice of the Company’s Petition was published in the Commission’s Official Bulletin on October 15, 2021 with no interventions or protests received during the 15-day intervention period.

AT&T Louisiana is an incumbent local exchange carrier (“ILEC”) who was granted its ETC designation in LPSC Order No. U-22770 on November 6, 1997 within its ILEC service area pursuant to 47 U.S.C. § 214(e)(1) of the Communications Act of 1934, as amended (the “Act”).

The LPSC has previously permitted AT&T Louisiana’s relinquishment of its ETC designation in specified areas of the state of Louisiana not included in the Connect America Fund (“CAF”) II Census Blocks¹. AT&T Louisiana’s current request is to relinquish its remaining ETC designation in the state of Louisiana.

II. COMMISSION AUTHORITY

The Commission exercises jurisdiction in this proceeding pursuant to Article IV, Section 21(B) of the Louisiana Constitution.

LA. Const. Art. IV, Sec. 21(B) provides in pertinent part:

The commission shall regulate all common carries and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

In addition to providing the process for designating a carrier as an ETC, the Act provides a method whereby a carrier can seek to relinquish its ETC status.

¹ LPSC Order No. S-34632 dated November 3, 2017.

47 U.S.C. § 214(e)(4) provides in the pertinent part:

A State commission *shall permit* an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission shall establish a time, not to exceed one year after the State commission approves such relinquishment under this paragraph, within which such purchase or construction shall be completed. (Emphasis Added)

III. STAFF REVIEW

Pursuant to § 214(e)(4) of the Act, an ETC that seeks to relinquish its designation for an area served by more than one ETC shall give advance notice to the State commission of such relinquishment. Further, the Act states that the State commission must ensure that customers of the affected areas will continue to be served by the remaining ETCs following the relinquishment.

In its Petition, AT&T Louisiana seeks to relinquish its ETC designation for its remaining areas in Louisiana; thus, if granted, AT&T will cease to be an ETC in the State. AT&T Louisiana previously sought and was granted relinquishment of its ETC designation for all services areas except for those in the CAF II Census Block.² AT&T Louisiana now seeks to relinquish the ETC designation for those CAF II Census Block regions. This request is prompted by a change in the federal support program and dwindling customer demand.

Changes to Universal Service Program at the federal level

The Federal Communications Commission (“FCC”) replaced the CAF II support program with the Rural Digital Opportunity Fund (“RDOF”) on January 30, 2020.³ The ETCs selected for RDOF funding were chosen by a two-phase bidding process which began with Phase I on October 29, 2020 and ended with Phase II on November 25, 2020. AT&T Louisiana did not participate in the RDOF bidding process. Therefore, AT&T Louisiana will no longer receive funds for federal high-level universal service support.

Lack of Customer Demand

AT&T Louisiana indicates that another reason it seeks relinquishment of its ETC designation is due to the dramatic changes in the telecommunications marketplace in Louisiana since receiving its ETC designation. AT&T Louisiana has seen a significant drop in customers using their Lifeline service since 2005. AT&T Louisiana provided information to LPSC detailing that they have only 95 customers as of June 2021 who use AT&T Louisiana as their Lifeline

² LPSC Order No. S-34632 dated November 3, 2017.

³ Report and Order, *Rural Digital Opportunity Fund*, 35 FCC Rcd 686 (2020).

provider.⁴ Currently, AT&T Louisiana services less than 1% of the total Lifeline customers in Louisiana. AT&T Louisiana has committed to helping Lifeline customers transfer their numbers to a new provider upon request.

Advance Notice

AT&T provided advance notice to the LPSC by filing its Petition on October 12, 2021, approximately five months prior to the Company's anticipated relinquishment.⁵ Furthermore, while not a requirement under the Act, AT&T Louisiana commits to providing its current customers with at least two notices - one 60 days and one 15 days prior to the relinquishment effective date. These notices will (1) explain that AT&T Louisiana will no longer offer the Lifeline discount and (2) provide the customers with their transition options: to either choose another Lifeline provider or maintain service with AT&T Louisiana at standard prices.

Remaining ETCs in the Service Area

Per its Petition, AT&T Louisiana's ETC service area in Louisiana is served by multiple ETCs. Upon Staff's own information and belief, there is at least one additional ETC providing service in each of the areas in which relinquishment is being sought; thus, alleviating any concerns that could exist regarding lack of a provider for customers. In its Petition, AT&T Louisiana cites at least 11 different ETCs in its remaining service areas. Staff has confirmed that all but one of the ETCs cited by AT&T Louisiana are viable and have been previously confirmed by the LPSC. Further, Staff's understanding is that those ETCs are ready and able to transition AT&T Louisiana's customers without the need to purchase or construct additional facilities to ensure that AT&T Louisiana's Lifeline subscribers continue to receive service.⁶

IV. STAFF RECOMMENDATION

Pursuant to the Act, a State Commission shall permit an ETC to relinquish its designation as such a carrier in any area served by more than one ETC. Staff has reviewed the Company's request and the requirements of the Act. AT&T Louisiana has provided advance notice to the Commission regarding its relinquishment, and Staff has confirmed that there is at least one additional ETC serving the areas in which relinquishment is being sought. In fact, there are at least 11 additional ETCs in each of those service areas. Moreover, AT&T's Petition states that it only has 95 Lifeline customers remaining in Louisiana – less than 1% of the Louisiana Lifeline customers. AT&T Louisiana's Petition was submitted in accordance with the requirements of the Act. Therefore, the LPSC shall permit AT&T to relinquish its designation as such a carrier. Accordingly, Staff recommends that AT&T Louisiana's ETC designation be relinquished.

V. COMMISSION CONSIDERATION

⁴ See AT&T Louisiana Petition, Exhibit A.

⁵ AT&T Louisiana requests an effective date of March 31, 2022.

⁶ Staff's understanding is based upon correspondence with AT&T Louisiana. Although not required to transition the AT&T Louisiana ETC customers, this recommendation does not preclude the mentioned ETCs from acquiring new infrastructure as a part of their own business plans.

This matter was considered by the Commission at its January 25, 2022 Business and Executive Session. On the motion of Chairman Greene, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Report and the Recommendation was filed into the record on January 13, 2022.

IT IS THEREFORE ORDERED THAT:

- 1) AT&T Louisiana's ETC designation is relinquished.
- 2) This Order is effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
February 18, 2022



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

BRANDON M. FREY
SECRETARY

/S/ CRAIG GREENE
DISTRICT II
CHAIRMAN CRAIG GREENE

/S/ ERIC F. SKRMETTA
DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA

/S/ FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ LAMBERT C. BOISSIERE, III
DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III

/S/ MIKE FRANCIS
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