

DT 99-020

INVESTIGATION OF CONGESTION ON THE PUBLIC SWITCHED NETWORK

Order Nisi Finding the
1009 Channel Trial a Success

O R D E R N O. 24,255

December 30, 2003

The New Hampshire Public Utilities Commission (Commission) issued Order No. 23,962, on May 3, 2002, establishing a trial to determine whether making dry copper circuits available to Internet Service Providers (ISPs) is feasible, necessary and functional. Dry Copper circuits are now known as Series 1009 Channels and therefore the trial is referred to as the 1009 Channel Trial. The Commission ordered Verizon New Hampshire (Verizon) to undertake the trial so that potential obstacles, such as technical interference, could be identified and, perhaps, remedied.

Pursuant to the Order, the trial was to run from July 1, 2002, through December 31, 2003. On June 3, 2002, Verizon filed a letter requesting a delay in the start of the trial to August 1, 2002. Verizon's request was granted and Verizon filed tariff pages on July 19, 2002, which provided for the trial to run from August 1, 2002 to January 31, 2004.

In anticipation of the termination of the trial period, North Country Internet Access (NCIA) and the New Hampshire

Internet Service Providers Association (NHISPA) (the Petitioners) requested that the Commission extend the trial indefinitely, and consider a flat rate installation for the service.

The Staff of the Commission (Staff) reviewed information provided by NCIA (a New Hampshire ISP), by NHISPA regarding five of its member ISPs, and confidential monthly reports made by Verizon during the 1009 Channel Trial. Staff submitted a memo dated December 30, 2003, which reports that while the information provided by the ISPs and Verizon have different types of data, relevant conclusions can be drawn nonetheless. The NHISPA ISPs reported that between August, 2002 and September, 2003, they ordered 44 circuits, and installed 33. These NHISPA ISPs further report that they have a total of 61 circuits in service, with the majority (44) located in the northern half of the state. According to the NHISPA ISPs, the difference between the number of circuits ordered and the number of circuits installed is attributable to the fact that installation rates vary a great deal, making it difficult to sell the product efficiently, and thus creating more orders for service than actual installations. Staff reports that overall the ISPs consider that the product is a great success in a market that is underserved for high-speed data.

The ISPs state that Verizon has not reported any issues of interference on these circuits. Order No. 25,962 required

Verizon to report any technical interference as incidents occurred. The Commission has received no reports of interference from Verizon and there is no indication of any such incidents in Verizon's monthly reports.

According to a chart provided by some of the ISPs, non-recurring installation charges range from \$181 to \$1185 for a sample of 48 installations. Based on that chart, Staff reports that the average installation is \$421, which is also the most common installation charge identified in the chart.

Based on Staff's report, we find that these circuits provide access to broadband for certain customers in underserved regions of the state. We find that the questions regarding feasibility, necessity, functionality, and technical interference have been answered in the affirmative. Therefore, we conclude that the trial was a success and hereby order Verizon to provide 1009 Channels as a regular tariffed service.

Based upon our review, we further determine that the public interest would be served by developing a flat rate for 1009 installation. We will direct Verizon to file a proposal and support for a flat-rate installation charge. Until such time as the Commission completes its review and investigation of the installation charges, the existing service offering and corresponding rate schedules shall remain in effect.

Based upon the foregoing, it is hereby

ORDERED NISI, that, subject to the effective date below, Verizon shall make the provisioning of 1009 Channels a regular tariffed service; and it is

FURTHER ORDERED, that Verizon shall file compliance pages with an effective date of February 1, 2004; and it is

FURTHER ORDERED, that Verizon shall file a proposal and support for a flat-rate installation charge for Series 1009 Channels with supporting cost studies no later than 60 days from the effective date of this Order Nisi; and it is

FURTHER ORDERED, that the Petitioners shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than January 6, 2004 and to be documented by affidavit filed with this office on or before January 23, 2004; and it is

FURTHER ORDERED, that all persons interested in responding to this Order Nisi be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than January 16, 2004; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no

later than January 23, 2004; and it is

FURTHER ORDERED, that this Order Nisi shall be effective January 31, 2004, unless the Petitioners fail to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of December, 2003.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Graham J. Morrison
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary