



*Contact:*

Sarah DeYoung  
CALTEL Executive Director  
925-465-4396  
deyoung@caltel.org

## **CALTEL Requests California Public Utilities Commission to Establish Guidelines for Retirement of Copper Loops by Incumbent Local Exchange Carriers**

**SAN FRANCISCO** [July 12, 2007] – Today, CALTEL, the California Association of Competitive Telecommunications Companies, filed a Petition for Rulemaking with the California Public Utilities Commission (CPUC) to establish a specific yet streamlined process for the Commission to use in reviewing requests from incumbent telecom companies like AT&T and Verizon to retire copper “loops” and related facilities.

CALTEL’s petition summarizes the urgent need for such a process:

"The unexamined elimination of copper network facilities will not only inhibit competitors’ deployment of innovative broadband services to Californians contrary to the clear, independent statutory mandates of the Public Utilities Code, but will also unnecessarily disable facilities that could provide valuable redundancy in the event of a natural or man-made emergency.”<sup>1</sup>

### **BACKGROUND**

Most California homes and businesses are linked to the networks of telecommunications providers (which includes incumbents like AT&T and Verizon, as well as competitive providers that lease the incumbent’s embedded copper wiring to deliver traditional and advanced services to customers) by “last mile” copper wiring. Even those customers who choose to receive service from a cable company such as Comcast or Cox Communications (who use their own coaxial cable for access to the customer’s premise) are able to reuse their copper wires to obtain service from a competitive carrier or to “switch back” to an incumbent carrier.

But, as a result of regulations adopted by the FCC in recent years, when an incumbent like Verizon deploys high-bandwidth fiber lines it is also permitted to remove existing copper loops, even though removal is not necessary to deploy fiber. Once the copper is removed, the customer (and future owners and tenants) are no longer able to obtain service from a competitive carrier or even to “switch back” to less expensive phone and DSL service from Verizon. In essence, existing rules permit incumbents to needlessly destroy existing broadband infrastructure to maximize their own competitive position, at the expense of competition.

---

<sup>1</sup> CALTEL Petition at p. 2.



Fortunately, these federal rules did not preempt “the ability of any state commission to evaluate an incumbent LEC’s retirement of its copper loops to ensure such retirement complies with any applicable state legal or regulatory requirements”.<sup>2</sup> In a time when all agree that more and better broadband is a key public need, it does not make sense to allow the incumbent LEC to degrade or to eliminate existing copper facilities that have been built and paid for over the last several decades.

CALTEL looks forward to working with the CPUC to establish a process by which the Commission can consider whether proposed retirements of legacy copper facilities will “(a) diminish competition in providing voice, Internet access, video and high-speed data services; (b) diminish the availability of broadband offerings; (c) harm the public interest through diminished competition and waste of a valuable ratepayer-funded asset; (d) unnecessarily disable facilities that could provide valuable redundancy in the event of a natural or man-made emergency; or (e) otherwise harm the public interest in violation of the Public Utilities Code.”<sup>3</sup>

###

*Advancing the Competitive Telecommunications Industry*

CALTEL - the California Association of Competitive Telecommunications Companies - is a non-profit trade association working to advance the interests of fair and open competition and customer-focused service in California telecommunications.

CALTEL members are entrepreneurial companies building and deploying next-generation networks to provide competitive voice, data, and video services. The majority of CALTEL members are small businesses who help to fuel the California economy through technological innovation, new services, affordable prices and customer choice. A list of CALTEL members is available at [www.caltel.org](http://www.caltel.org).

Since its inception in 1983, CALTEL has represented the interests of competitive telecommunications companies at the California State legislature, Public Utilities Commission and Governor's Office.

---

<sup>2</sup> FCC Triennial Review Order at ¶ 284.

<sup>3</sup> CALTEL Petition at pp. 14-15.