1	STATE OF NEW HAMPSHIRE		
2		PUBLIC UTILITIES COMMISSION	
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5	Concord, New 1	Hampshire NHPUC FEB25'09 AM 9:39	
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7	RE:	DT 08-162 COMCAST PHONE OF NEW HAMPSHIRE d/b/a	
8		COMCAST DIGITAL PHONE: Petition for Arbitration of Rates, Terms and	
9		Conditions of Interconnection with TDS. (Prehearing conference)	
10			
11	PRESENT:	Chairman Thomas B. Getz, Presiding Commissioner Graham J. Morrison	
12		Commissioner Clifton C. Below	
13		Diane Bateman, Clerk	
14			
15	APPEARANCES:	Reptg. Comcast Phone of New Hampshire:	
16		Michael C. Sloan, Esq. (Davis, Wright) Paul D. Abbott, Esq. (Mintz, Levin)	
17		Reptg. the TDS Companies:	
18		Frederick J. Coolbroth, Esq. (Devine) Patrick C. McHugh, Esq. (Devine, Millimet)	
19			
		Reptg. Residential Ratepayers: Stephen Eckberg	
20		Office of Consumer Advocate	
21		Reptg. PUC Staff: Robert Hunt, Esq.	
22	_	Edward N. Damon, Esq.	
23	Cou	rt Reporter: Steven E. Patnaude, LCR No. 52	
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CHAIRMAN GETZ: Okay. Good morning everyone. We'll open the prehearing conference in docket DT 08-162. On December 12, 2008, Comcast Phone of New Hampshire filed a petition for arbitration of rates, terms and conditions of interconnection with Kearsarge Telephone Company, Merrimack County Telephone Company, and Wilton Telephone Company, pursuant to Section 252(b) of the Communications Act of 1934. On January 9, 2009, the TDS companies filed an answer to the Comcast petition and propounded a first set of data requests. The order of notice was issued on January 28, setting the prehearing conference for this morning. And, the order of notice, among other things, noted that, in the event there is any dispute with respect to the initial discovery requests filed by TDS, we would appoint a hearings examiner to hear and resolve such disputes directly following the prehearing conference. And, we have appointed General Counsel Anne Ross to act as the hearings examiner for the purposes of resolving discovery disputes.

I note that we have a letter from the Consumer Advocate notifying that it would be participating in this proceeding. And, my understanding is, from the Clerk, is the affidavit of publication has been forwarded

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1	to the Commission.	
2	So, let's take appearances before we	
3	hear positions of the parties.	
4	MR. ABBOTT: Paul Abbott, from Mintz	
5	Levin, on behalf of Comcast Phone.	
6	CHAIRMAN GETZ: Good morning.	
7	CMSR. MORRISON: Good morning.	
8	CMSR. BELOW: Good morning.	
9	MR. SLOAN: I'm Michael Sloan. I am	
10	with the Washington, D.C. office of Davis, Wright,	
11	Tremaine, also here on behalf of Comcast Phone.	
12	CHAIRMAN GETZ: Good morning.	
13	CMSR. MORRISON: Good morning.	
14	CMSR. BELOW: Good morning.	
15	MR. COOLBROTH: Mr. Chairman,	
16	Commissioners, Frederick Coolbroth, on behalf of the TDS	
17	companies, from Devine, Millimet & Branch. With me today	
18	is Patrick McHugh from our office. Also here from the	
19	Company are Michael Reed and Deborah Martone.	
20	CHAIRMAN GETZ: Good morning.	
21	CMSR. MORRISON: Good morning.	
22	CMSR. BELOW: Good morning.	
23	MR. ECKBERG: Good morning, Mr.	
24	Chairman, Commissioners. Stephen Eckberg, for the Office	

1 of Consumer Advocate. 2 CMSR. BELOW: Good morning. 3 CMSR. MORRISON: Good morning. 4 CHAIRMAN GETZ: Good morning. 5 MR. HUNT: Good morning, your Honor. 6 Good morning. My name is Rob Hunt. I'm a Staff attorney 7 here representing the Staff. Along with me is Kate 8 Bailey, who is the Director of the Telecommunications Division; Ed Damon, the Director of the Legal Division; 9 10 and Josie Gagne, a utility analyst here. 11 CMSR. BELOW: Good morning. 12 CMSR. MORRISON: Good morning. 13 CHAIRMAN GETZ: Good morning. Okay. 14 Let's start with the positions of the parties. 15 going to be Mr. Abbott or who's going to proceed? 16 MR. SLOAN: Chairman Getz, I will take a 17 shot at setting forth Comcast's position. And, thanks so 18 much. Comcast seeks an interconnection agreement with the 19 TDS captioned entities, as it is authorized to obtain 20 under Section 251 of the Federal Communications Act and 21 this Commission's practices and procedures. Comcast is 22 seeking an interconnection agreement, just like the one it 23 has with FairPoint in New Hampshire, and just like the one 24 it has with TDS affiliates in Vermont, Tennessee, and

Indiana. Indeed, the agreement that Comcast seeks here today is similar to ones that Comcast affiliates operate in 37 other states around the country, have with more than 150 other incumbent carriers for the purposes of exchanging traffic. Comcast exchanges millions of minutes of telecommunications services traffic with these carriers. It pays access -- It pays and receives access charges for the termination of toll traffic. It pays reciprocal compensation, receives reciprocal compensation for this traffic where appropriate. It pays into the universal funds, into 911 funds, it pays regulatory surcharges, and all other charges and complies with all other obligations of telecommunications carriers where they are applicable.

No entity, no carry, no customer has ever alleged, in any of the states or to the federal government, that Comcast does not comply with all of its obligations, both contractual and legal, with respect to its status as being a telecommunications carrier. The suggestion that "Comcast is not a telecommunications carrier entitled to interconnection" is therefore unsupported, as the decision of the Vermont Board, just a couple of days ago, attests. I have copies of that order with me today, I'd be happy to provide to the

Commissioners and to Staff, if that will be helpful.

Before I address the merits, however, I do think that it's worth pausing for a couple of seconds and acknowledging, at least to ourselves, what's really going on here, which I think is transparent. Every day that Comcast is denied an interconnection agreement and denied the opportunity to serve customers is another day that an incumbent carrier gets to maintain its monopoly, maintain its monopoly status and extract monopoly rents from captive customers. That's what this case is really about.

Comcast is entitled to interconnection, because it's a telecommunications carrier under federal law. Federal telecommunications carriers are entitled to interconnect under Section 251(a). Telecommunications carriers that also qualify as local exchange carriers are entitled to certain rights under Section 251(b). Under Section 3 of the Act, a "telecommunications carrier" means "any provider of telecommunications services". Something of a circular definition, but "telecommunications services" are, in turn, defined as the "offering of telecommunications to the public for a fee". These are statutory terms that were enacted in 1996, but they come from decades old court decisions.

There are two requirements for being a telecommunications carrier under the Act. First, the carrier must hold itself out to all possible customers of its services. And, then, second, it has to allow customers to transmit, transmit information over the services that it provides. This is the rule from the well known NARUC, National Association of Regulatory Utilities Commissioners, cases that I believe both parties, certainly Comcast, has cited to you in our papers. And, what the NARUC cases say, and NARUC didn't break new law in this area, is that "the carrier is defined by its business relationships with its customers." And, what this means, as the courts and the regulators that have enforced these definitions for so many years have held, is that carriers self-certify themselves as "common carriers". All that's required, Mike Sloan could become a common carrier tomorrow, if I declared by willingness to serve customers who ask me for services that I advertise my willingness to provide, and, of course, assuming that I received authorization from the appropriate regulatory authority to provide those services.

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So, how does a carrier do this? How does a carrier self-certify? Well, first, as I just said, it seeks authority from the regulator, which Comcast has

done. Comcast, of course, has authority to serve customers in New Hampshire in FairPoint territories.

Second, it announces that they -- the availability of those services. And, how does it do that? Historically, carriers advertise the availability of their services by issuing tariffs. That was the most simple way. Tariffs are not available to competitive carriers in New Hampshire, but we have service guides, which are posted on our website, filed with the Commission, and they are the announcements of our willingness to serve and to offer certain services upon request.

Once a carrier makes those declarations, a host of rights and responsibilities accrue by virtue of that self-designated status. And, these aren't -- these aren't paper formalities. If a common carrier, a certified telecommunications carrier, refuses to provide service upon reasonable request, or if its services are unreasonable or if it discriminates among its customers, or if it fails to comply with its regulatory obligations, or if it breaches its contracts, there are a host of remedies that customers have in pursuing their rights against that common carrier, that they would not have in ordinary commercial business relationships. They could proceed actions -- proceed in actions before regulatory

authorities, such as yourselves, in courts, or at the FCC, a number of bodies are available to enforce the rights and enforce the responsibilities that are imposed on common carriers.

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So, as I said, all that a telecommunications carrier has to do is provide the services that it offers upon request. The statute says it has to "offer services to the public". But what does that mean? Well, this has also been the subject of an intensive amount of litigation over many, many years. And, what it says, under -- for section purposes of Section 251, the federal requirement, is that "a carrier offer services indiscriminately", and I'm quoting from the NARUC case right now, so bear with me, I apologize. it "serves indiscriminately the clientele that it is suited to serve and to whom it offers services." That means, for example, that, under federal law, a carrier can be an exclusively wholesale carrier, it can serve exclusively other carriers, and still qualify for the rights and responsibilities and obligations under Section 251. That's the black letter holding of the FCC's Time Warner decision, which I know that you are all familiar with.

All that's required is that a carrier

not make individualized decisions about who it will and will not serve, that's part of the discriminatory -- the nondiscriminatory service obligation. It doesn't mean, and again I'm quoting from NARUC, and this is a quote that comes from our papers, "It does not mean that the particular services offered must actually be available to the entire public", as we just discussed. Again, I'm quoting, "a specialized carrier, whose service is of possible use to only a fraction of the population may nonetheless be a common carrier, if that entity holds itself out to serve all -- indifferently all potential customers."

"Indeed, a service provider may be deemed a common carrier", and, again, this is a quote from a different case, "even where" -- "even where it is not yet actually supplying service to any customers in a particular area and can be deemed a common carrier even if it intends only to serve a single customer." And, when we think about how the Telecommunications Act of 1996 operates, we know that this is the truth, because this Commission has authorized entities to get into the business of telecommunications, and it has approved interconnection agreements between requesting carriers and incumbents even before there was a single customer in

play. And, that's how it would have to be. How would a new entrant -- if a new entrant had to have customers in order to qualify as a telecommunications carrier, well, that would be a Catch-22, that would be insurmountable to hurdle.

So, the law is fairly clear. That

Comcast's telecommunications carrier status can't be

challenged because it has a small customer base or because

its service offerings are particularly narrow or because

they're only attractive to a very small group of potential

customers. The law is clear on these issues. But that's

exactly the position, your Honors, that TDS is taking in

this arbitration. They're saying that Comcast is not a

telecommunications carrier for exactly those reasons that

the law says don't matter.

And, so, what are they saying? What are their particular arguments? And, I'm just going to briefly address those. First, their principal argument, they point out that, in April of 2008, Comcast discounted one of its retail service offerings, its retail service offerings, which is known as "Comcast Digital Phone", or "CDP", I hope you don't mind if I use that acronym, "CDP". TDS's argument is -- appears to be, I'm not quite sure exactly what the argument is, but it appears to be that

Comcast is not a telecommunications carrier because it discontinued CDP. Well, the obvious problem with that is that Comcast doesn't have to offer telecommunications services to qualify for interconnection, because it could offer new services in the future. That's one problem.

The second problem with it is it overlooks the other services that Comcast continues to offer. It overlooks the fact that Comcast offers a school — a service which we call "School and Libraries", which is available to potential e-rate customers, and which is a networking service, and also offers inbound network calling to customers that request it. It overlooks the fact that Comcast offers a resold business line offering. It overlooks the fact that Comcast has an exchange access service offering, and that it has many exchange access customers in the state who route Comcast traffic and who pay Comcast for the privilege of terminating those calls. And, of course, that this argument overlooks the local interconnection service offering, which offers a variety of services to potential customers.

So, let's put aside for the moment that it overlooks services that Comcast -- this TDS argument overlooks services that Comcast continues to offer, and focus again on what TDS's argument is. It's kind of like,

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you know, it's kind of like imagine if McDonald's discontinued, you know, its Quarter -- its Double Quarter Pounder, and then Burger King were to run an ad saying "Well, McDonald's is no longer a restaurant, because it doesn't offer the Double Quarter Pounder." Well, I think McDonald's would be flummoxed. They would say "What are you talking about? Of course, we're still a restaurant. We've got all these other services -- all these other offerings. We got Big Macs, we've got, you know, Filet O'Fish, we've got a lot of stuff that you can choose from. We don't offer the Double Quarter Pounder anymore." I don't think there's any difference between that silly argument and the point that TDS is making here with respect to the discontinuance of CDP. 15 Comcast remains a carrier after the discontinuance of CDP, 16 both because it continues to provide services, it offers new services, and because, even if it didn't offer any of the services, it would still qualify for interconnection. 19 The next point that TDS makes is they 20 don't like the terms of the local interconnection service 21

offering. First, I want to point out an important flaw with this TDS argument. And, that's that they're not really entitled to make it in this context, because, one, this is not a proceeding about the reasonableness about -- of our list of local interconnection service offering, number one. And, secondly, they're not customers of that service. They have never asked for that service. They have never asked to enter into negotiations. They have no real perspective on the fairness of that offering. And, that's the point. This proceeding is not the forum to collaterally attack the justness or reasonableness of Comcast service offerings.

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The Commission, as we discussed earlier, the Commission, the FCC, the courts, all have procedures for adjudicating such complaints. And, if TDS requests service under that service guide, and they're dissatisfied in one way or the other, they can avail themselves of the remedies that those institutions provide. But, let's face it, TDS's real complaint here is that Comcast serves interconnected VoIP service customers, providers, through its local interconnection service. But that's not a serious complaint either, your Honors. The FCC has approved carrier partner VoIP service provider arrangements now in more than half a dozen cases. That arrangement is legitimate, regardless of how the FCC ultimately chooses to classify interconnected VoIP services. That's the holding of the Time Warner case. And, that is the practical reality of how customers are

1 receiving services today. There are 20 million 2 interconnected VoIP service customers in the United States 3 today. And, all of them are served through arrangements just like the one that Comcast uses to provide service to 5 its interconnected VoIP service providers. 6 Based on the logic of the FCC's Time 7 Warner case, commissions and courts in New York, Texas, 8 Illinois, Pennsylvania, Ohio, and Nebraska, now Vermont, 9 have issued decisions affirming the rights of competitive 10 carriers to obtain interconnection in order to serve 11 interconnected VoIP service providers. We cite some of 12 those cases in Page 14, Footnote 39, of our papers. 13 Of course, just on Tuesday, Vermont 14 chimed in as well. And, in a case that is substantively 15 identical to this one, it involves exactly the same 16 arguments made by a rural carrier seeking to delay 17 Comcast's entry into its markets, the Vermont Board 18 rejected the obstructionist tactics of the carrier in that 19 case and affirmed Comcast's right to interconnect. 20 That concludes my presentation. 21 happy to answer any questions you have. 22 CHAIRMAN GETZ: Thank you. We'll turn 23 to Mr. Coolbroth. 24

Thank you, Mr. Chairman.

MR. COOLBROTH:

Comcast paints with a fairly broad brush, and then makes all the arguments about what it means to be a common carrier, what the rights are associated with being a common carrier, but also the burdens associated with being a common carrier. They don't draw the distinction that they have made by splitting up, so that they can have one entity, which gets the benefits of being a common carrier, and another entity that is entirely -- that provides the service to the public and is entirely free of all of the obligations that go with that. They have established Comcast Phone of New Hampshire, which used to be a telecommunications carrier, used to offer a telecommunications service, as Comcast Digital Phone Service, that they don't offer anymore. They got out of that business. They have another entity, called "Comcast IP phone", which provides what they claim is an information service, an interconnected VoIP service, entirely free from any jurisdiction of this Commission. What's left in Comcast Phone is a shell, that claims to offer four very limited, and they admit, services that are limited in terms of the entities that can avail themselves of those services. We say that those are not available to the public at all. We say that those are not services eligible to treat this entity as a common carrier.

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They have hundreds or thousands, perhaps millions of retail phone customers. Those customers are not treated as -- or, that business is not treated as the common carrier business in their mind. What is treated as their common carrier business is their affiliate, Comcast Phone, which provides an interconnection service to its affiliate, and from what we can see, nobody else could use, and other services that we have raised the questions about in our papers, and that I won't repeat here.

We say that there are a number of factual issues associated with this, with this dichotomy that they have drawn, the creation that they have made of this intervening entity that they say is a common carrier, and we say is not. And, we'd like to address those issues through discovery and through an evidentiary hearing.

Based on our view of the business conducted by this company, it's not a telecommunications carrier, it's not eligible for interconnection under the Communications Act, and our response asks that the arbitration be dismissed on that basis.

We do believe that, in terms of procedurally before the Commission, it is an issue that the Commission has jurisdiction to hear, even if it is not, in our view, under 252, it's under the Commission's

general jurisdiction, that the Commission has jurisdiction to hear the question. That it requires a factual analysis. We filed some discovery requests with our response. We have gotten some answers. We seek more answers, and are prepared to work with the Staff in a technical session to develop a procedural schedule. For instance, we think that a round of follow-ups before proceeding specifically to dispute resolution probably would make some sense, and we will recommend that. We have had preliminary discussions with the folks from Comcast about scheduling, and have some ideas from it to present in the technical session.

CHAIRMAN GETZ: You said you "have had conversations", you "have not had"?

MR. COOLBROTH: We have.

CHAIRMAN GETZ: Okay.

MR. COOLBROTH: We have. And, we have some ideas about scheduling that we would like to work with Staff on in the technical session. In essence, I'm not going to present to the Commission this morning our response and our testimony, but we -- I think we have laid out our position adequately there. Just ask the Commission to not get caught up in this broad brush single word "Comcast", because, if it was a single Comcast entity

providing retail service to telephone customers, the regulatory questions that they are presented might be somewhat different. They have split it up into this entity that they claim to be entirely free from regulation, and this other captive entity that is in the middle that they claim is a telecommunications carrier that really just doesn't have any telecommunications business from what we can see, and ask for that entity to have the benefits of being a telecommunications carrier. That's our issue with this in a nutshell. And, we are prepared to work through on a schedule. CHAIRMAN GETZ: Okay. Thank you. Mr. Eckberg. MR. ECKBERG: Thank you, Mr. Chairman. Generally speaking, the Office of Consumer Advocate supports the entry of competitive telecommunications providers in service territories of incumbent providers, particularly those that seek to serve residential customers. The OCA takes no specific position on the issues today. We look forward to working through the docket with the parties to achieve the best results for residential customers. Thank you. CHAIRMAN GETZ: Mr. Hunt. Thank you. Briefly, Staff's MR. HUNT:

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position is that Comcast is a telecommunications carrier. I won't get into the details of that right now, but that is the preliminary position. As far as the mention of whether there's a factual dispute, it does appear that there's probably not a factual dispute with regard to relevant facts. So, our position is also that a briefing by the parties and a declaratory ruling by the Commission would be the most effective method for resolving the matter.

CHAIRMAN GETZ: Thank you. We'll give the Petitioner a last chance. Is there -- I'm interested specifically if you have any points to make about procedures?

MR. SLOAN: Well, first, I would like to make one substantive point, and then I could get to procedures, if you don't mind. I would say that substantively that Comcast does not take the position, Comcast, the umbrella entity, which has operating affiliates underneath it, recognizes that the interconnected VoIP service that it offers to customers on a retail basis is not unregulated, it's never maintained that it's an unregulated service. It's subject to a host of obligations imposed on it by the Federal Communications Commission, pays Universal Service, is required to

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participate in all state 911 programs, it has CPNI,

Customer Protection Network Information, obligations, a

most of other requirements. There's no contention by

Comcast Phone IP, which is the entity that provides that

service, that that service is unregulated, number one.

Procedurally, I think that -- I think we largely agree with Staff on this. We don't think that there are a lot of materially disputed issues in the case. We note that the Commission in Michigan has just issued, in an identical arbitration between Comcast and a TDS affiliate there, has issued a recommended decision based entirely on the papers that are almost identical to the papers before this Commission. So, I think -- I think the Commission actually could proceed to ruling, even without briefing, if it wanted to.

To the extent that there was a need for further factual development, Comcast agrees that there's an opportunity to narrow some of the factual disputes.

And, relatedly, Comcast and TDS entities in other states are seeking to develop a stipulated statement of facts that both parties can agree to. And, that's proceeding on a separate track in a case separately from this one. I'm optimistic that that could be done in a couple of weeks and we might be able to present it to this Commission, and

that no further discovery would be necessary. But I think 1 2 we could take that up -- we could take that up later or we 3 could explore it further now, depending on how you'd like 4 to discuss it. 5 CHAIRMAN GETZ: Mr. Coolbroth, did you 6 want to respond on procedures? 7 MR. COOLBROTH: That's being negotiated, 8 Mr. Chairman, in the State of Washington. I'm somewhat 9 hesitant to usurp the negotiations that are going on there 10 between Washington counsel I quess and Mr. Sloan, who is 11 also handling the Washington proceeding. It may well be 12 that that can progress. I don't know the answer to that. 13 You know, just -- you know, the two drafts at the moment 14 look quite different, but, you know, how one is going to 15 close the gap, I guess I can't anticipate. 16 CHAIRMAN GETZ: Well, is there anything 17 else that we need to address this morning, any other 18 comment from any of the parties? 19 (No verbal response) 20 CHAIRMAN GETZ: Okay. Hearing nothing, 21 then we will close the prehearing conference, await a 22 recommendation from Ms. Ross, if there's discovery 23 disputes that need to be resolved by us, and await a

recommendation on procedures. So, thank you very much.

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We'll close the prehearing conference. (Whereupon the prehearing conference ended at 10:36 a.m. and the Staff and Parties conducted a technical session thereafter.)