

11 JUL 14 AM 8:58

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

COMMISSION  
CLERK

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** July 14, 2011

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Regulatory Analysis (Kennedy) *RK*  
Office of the General Counsel (Teitzman) *AT*

**RE:** Docket No. 110204-TL – Notice of termination of service guarantee program by Embarq Florida, Inc. d/b/a CenturyLink. *PK* *MT* *MB*

**AGENDA:** 07/26/11 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\RAD\WP\110204.RCM.DOC

## Case Background

On June 15, 2011, Embarq Florida, Inc. d/b/a CenturyLink (CenturyLink) filed a Notice of Termination of Service Guarantee Program (Notice) with the Office of Commission Clerk. The current version of CenturyLink's Service Guarantee Program (SGP) was approved by the Commission in Order No. PSC-10-0233-PAA-TL<sup>1</sup>, issued April 14, 2010. Paragraph 4 of Section D of CenturyLink's SGP provides that "The Company or the Commission may terminate the Service Guarantee Program at any time."

The purpose of this recommendation is to obtain the Commission's acknowledgment of CenturyLink's Notice regarding the termination of the SGP.

<sup>1</sup> Docket No. 090552-TL, In Re: Petition for modification of Service Guarantee Program by Embarq Florida, Inc. d/b/a Centurylink.

DOCUMENT NUMBER-DATE

04837 JUL 14 =

FPSC-COMMISSION CLERK

The company's first SGP was initiated as a result of a stipulated settlement approved by the Commission in Order No. PSC-00-2462-PAA-TL, issued on December 20, 2000<sup>2</sup>. On June 14, 2005, the Commission implemented Rule 25-4.085, Florida Administrative Code (F.A.C.), Service Guarantee Program. The rule allowed incumbent local exchange companies to petition the Commission for approval of a SGP, which would relieve the company from the rule requirement of each service standard addressed in the SGP. The Commission approved SGPs on the basis of benefits to the customers and whether the SGP was in the public interest.

CenturyLink has modified and the Commission has approved changes to the SGP several times since 2000. The changes were the direct result of changes in law, changes in ownership of the company, and changes in pricing and policies of the company.

On May 5, 2011, the Governor signed into law the Regulatory Reform Act, Chapter No. 2011-36, Laws of Florida, effective July 1, 2011. According to the House of Representatives Staff Analysis, dated April 15, 2011, the bill, in part, removed the Commission's regulatory oversight of basic local telecommunications service and nonbasic service, including service quality and price regulation. According to the bill analysis, the bill's changes "suggest that the transition to a sufficiently competitive market has been achieved."

As a result of the changes in law, the Commission no longer has statutory authority for a number of its rules in Chapter 25-4 and 25-24, F.A.C., regarding service quality, including Rule 25-4.085, F.A.C., Service Guarantee Program. Repeal of the service quality and a number of other rules is being separately addressed in Docket No. 110209-TP, Repeal of rules resulting from changes to Chapter 364, Florida Statutes.

The Commission has jurisdiction over this matter pursuant to Chapter 364, Florida Statutes.

---

<sup>2</sup> Docket No. 991377-TL, In Re: Initiation of show cause proceedings against Sprint-Florida, Incorporated for violation of service standards.

**Discussion of Issues**

**Issue 1:** Should the Commission acknowledge Embarq Florida, Inc. d/b/a CenturyLink's Notice of Termination of Service Guarantee Program, effective July 1, 2011?

**Recommendation:** Yes, the Commission should acknowledge Embarq Florida, Inc. d/b/a CenturyLink's Notice of Termination of Service Guarantee Program, effective July 1, 2011. (Teitzman, Kennedy)

**Staff Analysis:** CenturyLink has elected to terminate its Service Guarantee Program as allowed by Paragraph 4 of Section D of its current SGP that was approved by the Commission. Furthermore, as discussed in the Case Background, the Commission no longer has statutory authority for a number of its rules in Chapter 25-4 and 25-24, F.A.C., including related service quality rules and Rule 25-4.085, F.A.C., Service Guarantee Program.

In enacting the Regulatory Reform Act (CS/CS/HB 1231) the Legislature has determined that a transition to a sufficiently competitive market for telecommunications services has been achieved. Therefore, staff recommends that the Commission should acknowledge Embarq Florida, Inc. d/b/a CenturyLink's Notice of Termination of Service Guarantee Program, effective July 1, 2011.

Docket No. 110204-TL

Date: July 14, 2011

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes, this docket should be closed upon issuance of the final order.  
(Teitzman)

**Staff Analysis:** This docket should be closed upon issuance of the final order.