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Public Utility Commission of Texas

November 7, 2003

To: All Certificated Telecommunications Providers (CTPs) in the State of Texas

Re: Classification of certain types of access lines

Some newly participating CLECs have recently requested clarity from Commission Staff regarding how to count certain types of access lines, including ISDN, T-1, switched data, one-way, and DSL lines. Through this letter, Commission Staff clarifies policy regarding the proper methodology for counting these types of lines for ROW reporting and compensation.

I. ISDN, T-1, and other channelized lines

A channelized service should be counted by the number of channels either provided to or used by the end-use customer, depending on the specific circumstances.

From P.U.C. SUBST. R. §26.465(c):

- (2) **Transmission path** — A path within the transmission media that allows the delivery of switched local exchange service.
 - (A) Each individual switched service shall constitute a single transmission path.
 - ...
 - (D) Where a service or technology is channelized by the CTP and results in a separate switched path for each channel, each such channel shall constitute a single transmission path.

From P.U.C. SUBST. R. §26.465(d):

- (1) **Switched transmission paths and services.**
 - (A) The CTP shall determine the total number of switched transmission paths, and shall take into account the number of switched services provided and the number of channels used where a service or technology is channelized.
 - (B) All switched services shall be counted in the same manner regardless of the type of transmission media used to provide the service.

The Order Adopting New §26.465 as Approved at the December 16, 1999 Open Meeting (Dec. 20, 1999) states on page 28:

The commission believes that CTPs have the capability to determine how many channels are provided to a customer as these are tracked by billing systems. However, if a line or circuit is channelized at the



customer's end, then the CTP would have no knowledge about channelization and the commission rules for channelization would not apply. The commission also clarifies that it is not the potential number of channels that have to be counted but only the actual number of channels provided by the CTP. For instance, if a customer orders a channelized T1 line consisting only of 12 channels, then the municipal fee would be applicable only for the 12 channels ordered, not for the potential 24. The commission agrees with [a commenter] that two copper wires may be engineered to provide 24 channels, but notes that in other circumstances 24 copper wires may be used to provide 24 channels. The only way to ensure consistency in municipal fees between these two scenarios is to use the concept of channelization. Channelization results in multiple switched paths; the commission concludes that each switched path is an access line by definition, and therefore each channel shall be counted as an access line.

P.U.C. SUBST. R. §26.465(c)(2)(A), (c)(2)(D), and (d)(1)(A), when combined with the above quote from the December 20, 1999 Order, are unambiguous in their meaning. A channelized service, such as a T-1 line or an ISDN line, should be counted by the number of channels used. If the CTP channelizes the line, but cannot ascertain the number of channels used, it should count the maximum number of possible lines (24, in the case of a T-1 or an ISDN PRI line) rather than the minimum (1). However, if the CTP provides to an end-use customer a line that can be channelized, but is not channelizing the line itself, then the channelization rules would not apply, and the CTP would need to report only the access line used for that service.

II. Switched data lines

Switched data lines are access lines to the extent that they have not been configured to exclude the normal functions of the switch.

The Order Adopting Amendments to §26.465 as Approved at the February 13, 2003 Open Meeting (Mar. 6, 2003) states on pages 16-17:

The commission also finds that any voice or data services switched by a circuit-switch may be access lines if the equipment enables the possibility of meeting the eight requirements of BLTS [basic local telecommunications service] offered in connection with tone dialing service, service connection charges, directory assistance services, and interconnection with other service providers. Therefore, even circuit-switched non-voice data transmission paths of the transmission media may qualify as access lines in LGC [Texas Local Government Code] §283.002(1), provided that they allow the delivery of LETS [local exchange telephone service]. An example of a data transmission service that would meet this definition is ISDN service, while an example of a data transmission service that would *not* meet this definition is switched 56 kbps service. The former may allow the delivery of LETS because it allows the provisioning of 911 service, whereas the latter would not allow the delivery of 911 service without modification of the equipment or lines as deployed in the network at any given time.

Switched data lines must meet the equipment modification test as deployed in the network at any given time. As stated above, ISDN and T-1 lines are clearly channelized access lines. As shown in the passage from the March 6, 2003 Order above, switched 56 kbps service would clearly require modification of the equipment as deployed in the network at any given time, barring some future change in technology, to allow LETS-compliant voice service. Similarly, services that are similar to switched 56 kbps service in the way that they are deployed would also fail to be counted as access lines.

III. One-way service and other PBX-type services

One-way service, such as one-way DID or DOD service, is service delivered over circuit-switched paths within the transmission media that either terminate normally at the end-use customer's premises while suppressing the ability of the end-use customer to originate traffic on those lines (i.e. inward service only - no dial tone) or that originate normally at the end-use customer's premises, but suppress the ability of the end-use customer to terminate traffic on those lines (i.e. outward service only - no ring). Some CTPs have requested clarity on the issue of classification of lines delivering one-way service, based on the argument that inward-only one-way lines would not allow the end-use customer to access 911 service, and thus might not be LETS-compliant access lines.

Texas Local Government Code §283.002(1)(A)(iii) includes the following definition of access line:

each switched transmission path within a public right-of-way used to provide central office-based PBX-type services for systems of any number of stations within the municipality, and in that instance, one path shall be counted for every 10 stations served;

From P.U.C. SUBST. R. §26.465(d):

- (3) **Central office based PBX-type services.** The CTP shall count one access line for every ten stations served.

One-way services (inward and outward) are specially provisioned out of a central office, and they are typically connected to a PBX or other mechanized call handling equipment (PBX-type equipment) at the customer's premises. Both SBC Texas and Verizon have tariffed the service specifically in the context of PBX stations. One-way service is therefore properly classified as a "central office-based PBX-type service" under 26.465(d)(3) for access line counting purposes.

Pursuant to P.U.C. SUBST. R. §26.465(d)(3), where PBX-type equipment is used, the CTP shall count one access line for each 10 stations served on the customer premises, regardless whether the circuits between the central office and the PBX-type equipment are 2-way or one-way circuits, and regardless whether an individual circuit provides BLTS. Alternatively, the CTP may simply report the number of DS-0 level circuit equivalents¹ that it provides between the Central Office and the PBX-type equipment at the customer site (based on the assumption that in a PBX situation, it takes one circuit from the CO to cover 10 stations). A "station" for counting purposes is a telephone extension, a fax machine, a modem, or any other device that connects to a DS-0 level circuit.

The intent of the PBX-type rules is to ensure parity between different PBX-type arrangements:

- In Centrex-type arrangements, where the PBX-type equipment is located at the CO, and where there is one loop per station provided between the central office and the customer premises, there will be 10 incursions on the ROW for every 1 dedicated switched transmission path. In a case where there might be 50 stations and 50 circuits, each circuit connected to a particular station, the access lines would be counted by dividing the number of

¹ Access lines are counted at the voice-grade, DS-0 level. A DS-0 circuit, which would be counted as one access line, may be provisioned as a dedicated copper pair, or as a channel in a DS-1 or higher circuit.

stations (which equals the number of circuits) by 10, which would result in an access line count of 5.

- However, in other PBX-type arrangements, the PBX-type equipment (PBX or other call distribution equipment) is located at the customer premises, connected to the CO by trunks. In this situation, there are fewer circuits (or DS-0 circuit equivalents) than there are stations, and the PBX-type equipment is used to connect stations to circuits as needed. For instance, there might be 50 stations served by 5 circuits. The access lines would be counted either by counting circuits (5) or counting stations (50) and dividing by 10.

IV. DSL lines

Although the Commission originally excluded DSL lines on the grounds that a determination would have been premature at that time, the Commission has since clarified its position on DSL lines to exclude those DSL lines that have not been modified to allow LETS-compliant voice service.

According to page 17 of the Order Adopting Amendments to §26.465 As Approved at the February 13, 2003 Open Meeting (Mar. 6, 2003):

Further, the commission finds that only those packet-switched voice services that have been modified to meet the eight requirements of BLTS offered in connection with tone dialing service, service connection charges, directory assistance services, and interconnection with other service providers can be found to allow the delivery of LETS. Thus, only such packet-switched voice services are access lines under Chapter 283. This assessment includes DSL service. When DSL service is being offered in conjunction with POTS through a line-splitting or line-sharing arrangement, the POTS line is the only access line unless the DSL service has been modified to allow LETS-compliant voice service, in which case it would be a separate category one or category two access line, as applicable. Similarly, when DSL service is being offered on a stand-alone basis, it is only an access line if it has been modified to allow LETS-compliant voice service, in which case it would be classified as a category one or category two access line, as applicable.

Therefore, most DSL lines would not carry LETS-compliant voice service, and would not be counted.

Please feel free to contact me if you have any questions.

Sincerely,

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