Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

News media information 202 / 418-0500 Fax-On-Demand 202 / 418-2830 Internet: http://www.fcc.gov TTY 202 / 418-2555

DA 01-1345 Released: June 04, 2001

COMMENTS INVITED ON CTSI, INC. APPLICATION TO DISCONTINUE DOMESTIC TELECOMMUNICATIONS SERVICES

NSD File No. W-P-D-494

Comments Due: June 18, 2001

Section 214 Application Applicant: CTSI, Inc.

On May 8, 2001, CTSI, Inc. (CTSI or Applicant) filed an application requesting authority under section 214(a) of the Communications Act of 1934, 47 U.S.C. § 214(a), and section 63.71 of the Federal Communications Commission's (Commission) rules, 47 C.F.R. § 63.71, to discontinue the provision of U.S. domestic telecommunications services in the states of New York, Ohio, West Virginia and certain areas of Pennsylvania. The application states that CTSI intends to assign its business customers in New York and Ohio to Choice One Communications of New York Inc. (Choice One) pursuant to customer contracts permitting such assignment.<sup>1</sup>

The application states that CTSI has made a necessary business decision to discontinue providing telecommunications service in the states of New York, Ohio, West Virginia, and in the counties of Bucks, Chester, and Montgomery in Pennsylvania (southeastern Pennsylvania market). CTSI'S process for discontinuing service in each state will vary depending on CTSI's ability to locate a company interested in purchasing assets and/or assuming customers. To date, CTSI intends to discontinue service as follows. In New York, CTSI's residential customers will receive ample notice of CTSI's discontinuance and the need for each customer to select a new carrier. CTSI's business customers in New York will be assigned to Choice One pursuant to the assignment clause in each customer's contract. CTSI's assets located in New York will be sold to Choice One. In Ohio, where CTSI has business customers only, all customers will be assigned to Choice One pursuant to the assignment clause in each customer's contract. CTSI has no assets other than customer contracts and accounts in Ohio. In West Virginia and the southern

The application states that Choice One sought, and the Commission granted, a limited waiver of the authorization and verification requirements of the Commission's slamming rules and applicable orders. *See Choice One Communications of New York Inc. Emergency Petition for Expedited Waiver*, Order, CC Docket. No. 94-129, DA 01-1132 (rel. May 4, 2001). Details regarding the assignment of business customers from CTSI to Choice One are described in an Emergency Petition filed with the Commission by Choice One on April 26, 2001.

Pennsylvania market, CTSI's customers will receive ample notice of CTSI's discontinued service and the need for each customer to select a new carrier. CTSI has no assets other than customer contracts and accounts to sell in West Virginia and has not found a buyer for its assets in the southeastern Pennsylvania market.

The application also states that CTSI has developed a customer notification and transfer plan that provides the greatest opportunity for customers to make informed choices and ensures a seamless transition to the customers' selected carriers with no service interruption. In accordance with the plan, by May 30, 2001, CTSI customers will have received adequate and repetitive written notices and verbal communications regarding the discontinuance of CTSI service and the need to elect another service provider.

The application states that CTSI recognizes there may be customers who fail to select a new carrier by May 30, 2001, the planned CTSI service discontinuance date.<sup>2</sup> CTSI has attempted to arrange for the migration of such customers to Verizon. The application states that Verizon is in a better position than any other carrier to assume the provision of service for those CTSI customers who have failed to elect a carrier on their own, but that Verizon has refused to accept the arrangement citing various reasons, including a concern over the creditworthiness of certain customers. CTSI continues to negotiate with Verizon, hoping that Verizon will change its position to help avoid service interruptions for customers on May 30, 2001. In addition to discussions with Verizon, CTSI has also attempted to locate a competitive partner to accept CTSI customers. CTSI continues to contact various competitive carriers in New York, the southern Pennsylvania market, and West Virginia.

In accordance with section 63.71(c) of the Commission's rules, the application will be deemed to be automatically granted on the 31st day after the release date of this notice without any Commission notification to the applicant, unless prior to that date the Commission has notified the applicant that the grant will not be automatic. The FCC will normally authorize proposed discontinuances of service unless it is shown that customers or other end users would be unable to receive service or a reasonable substitute from another carrier, or that the public convenience and necessity would be otherwise adversely affected.

Comments objecting to this application must be filed with the Commission by **June 18, 2001**. Such comments should refer to application file number **W-P-D-494**. Comments should include specific information about the impact of this proposed discontinuance on the commenter, including any inability to acquire reasonable substitute service. Comments should be sent to the Office of the Secretary, Federal Communications Commission, 445 12th Street, SW, Room TW-A325, Washington, DC 20554. Two copies of the comments should also be sent to the Network Services Division, Common Carrier Bureau, Federal Communications Commission, 445 12th Street, SW, Room 6-A207, Washington, DC 20554; Attention: Carmell Weathers.

The application is available for review and copying during regular business hours at the FCC Reference Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554, (202) 418-0270. A copy of the application may also be purchased from the Commission's copy contractor, International Transcription Service, Inc. (ITS), 1231 20th Street, NW, Washington, DC 20036, telephone 202-857-3800, facsimile 202-857-3805, TTY 202-293-8810.

<sup>&</sup>lt;sup>2</sup> The applications states that CTSI has notified its customers that it plans to discontinue service on May 30, 2001; however, CTSI asserts that it will not disconnect any customer prior to June 18, 2001.

For further information, contact Carmell Weathers, (202) 418-2325 (voice), <a href="mailto:cweather@fcc.gov">cweather@fcc.gov</a>, or Marty Schwimmer (202) 418-2320 (voice), <a href="mailto:mschwimm@fcc.gov">mschwimm@fcc.gov</a>, of the Network Services Division, Common Carrier Bureau. The TTY number is (202) 418-0484. For further information on procedures regarding Section 214 please visit the Network Services Division web site at: <a href="http://www.fcc.gov/ccb/nsd/documents/214.html">http://www.fcc.gov/ccb/nsd/documents/214.html</a>.

-FEDERAL COMMUNICATIONS COMMISSION-