



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

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December 13, 2006

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Public Utility Commission of Oregon

P.O. Box 2148

Salem, OR 97308-2148

Re: Docket No. UM 1107, VCI Company Notice of Relinquishment of ETC Status

On November 29, 2006, VCI Company f/k/a Stan Efferding, dba Vilaire (VCI) filed a notice in Docket No. UM 1107, to relinquish its eligible telecommunications carrier (ETC) status, effective February 1, 2007. VCI requests that the Commission "issue an order approving VCI's relinquishment of ETC status on the Date of Relinquishment, including a statement that VCI does not waive its rights to reimbursement from OTAP for lines served prior to the Date of Relinquishment." Staff recommends the Commission accept VCI's relinquishment of federal and state ETC status in Oregon and issue the order that VCI requests.

The Commission granted federal ETC status to VCI on December 17, 2003, in Docket No. UM 1107, Order No. 03-749. The order designated VCI as an ETC to participate in the federal Lifeline/LinkUp program, as well as a state ETC to participate in the Oregon Telecommunications Assistance Program (OTAP). VCI's designated service area is comprised of the area served by the incumbent local exchange carrier (ILEC) Qwest Corporation (Qwest).

VCI is the first ETC to request relinquishment of its status in Oregon. To weigh VCI's request, the Commission can look to the FCC rules that address the requirements for relinquishment of ETC status. *See* 47 CFR Section 54.205, which is nearly identical to the language of 47 USC 214(e)(4). Section 54.205 has two paragraphs. Paragraph (a) states "A state commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the state commission of such relinquishment."

VCI meets these relinquishment requirements. First, the area in which VCI seeks to relinquish its designation is served by more than one carrier. Indeed, VCI's designated service area in Oregon is defined as the service area of the ILEC Qwest. Qwest will remain as an ETC in VCI's service area after VCI relinquishes its ETC status. In addition, nearly half of Qwest's wire centers are served by at least one other competitive ETC. The other competitive ETCs designated in portions of VCI's service area are RCC Minnesota, US Cellular Corporation, Wantel Inc., and Edge Wireless. *See* Order Nos. 04-355, 04-356, 05-856, and 05-965. Second, VCI filed its notice of relinquishment in advance of its requested relinquishment, as required. VCI filed its notice on November 29, 2007, requesting relinquishment effective February 1, 2007. Therefore, VCI's request meets all the requirements of Section 54.205(a).

Paragraph (b) of Section 54.205 states: "Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the state commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the state commission approves such relinquishment under this section, within which such purchase or construction shall be completed."

As to the paragraph (b) requirements, actions taken by VCI should suffice to ensure that all its customers will be able to obtain service from an alternate local exchange service provider. On November 3, 2006, VCI filed a notice in Docket No. CP 1143 to abandon service in Qwest's Oregon service area as of February 1, 2007. The notice included copies of several documents, including VCI's notice to customers of intention to abandon service and VCI's notice to Qwest that it will be abandoning service in Qwest's service area. These notices were also dated November 3, 2006. Therefore, VCI gave notice far enough in advance of the February 1, 2007, relinquishment date to allow VCI's customers to find an alternate service provider and to allow Qwest to prepare to serve those customers should the customers choose to switch to Qwest. VCI's customers are predominantly low-income Lifeline/OTAP program customers who can also obtain Lifeline discounts from Qwest. The second requirement in paragraph (b) that the relinquishing ETC provide sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC, is not applicable in this case. VCI has not constructed any network in Oregon and has been providing services using the facilities of the remaining ETC, Qwest.

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VCI requests that the order include a statement that "VCI does not waive its rights to reimbursement from OTAP for lines served prior to the Date of Relinquishment."

While Staff does not oppose the inclusion of such a statement, Staff recommends that the order also include a statement acknowledging VCI's obligation to pay back any monies that may be found owing to the OTAP fund or the federal low-income fund as a result of the investigation opened on December 5, 2006, in Docket No. UM 1288.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dave Booth".

Dave Booth
Program Manager
(503) 378-6635


cc: Stacey A Klinzman, VCI Company
William J Ohle, Schwabe Williamson & Wyatt
Don Mason, Qwest Corporation

CERTIFICATE OF SERVICE

UM 1107

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by electronic mail and by mailing a copy properly addressed with first class postage prepaid to all parties or attorneys of parties as indicated below.

Dated at Salem, Oregon, this 13th day of December, 2006.



Kay Marinis
Oregon Public Utility Commission Staff

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