



November 23, 2010

VIA ELECTRONIC MAIL AND U.S. MAIL

Filing Center
Oregon Public Utility Commission
550 Capitol Street N.E. Suite 215
Salem, OR 97301-2551

RE: UM 1481 – Closing Comments of Frontier Communications Northwest Inc.

Dear Filing Center,

Enclosed are the Closing Comments of Frontier Communications Northwest Inc. in Docket UM 1481. Please contact me at (503) 645-7909 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Renee M. Willer". The signature is written in a cursive style.

Renee M. Willer
Frontier Communications Northwest Inc.
renee.willer@ftr.com

cc: Service List

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1481

In the Matter of)
)
PUBLIC UTILITY COMMISSION OF) CLOSING COMMENTS OF
OREGON) FRONTIER COMMUNICATIONS
) NORTHWEST INC.
Staff Investigation of the Oregon)
Universal Service Fund)

Frontier Communications Northwest Inc. offers the following closing comments in this docket. Frontier focuses its comments on some of the specific issues that were of particular interest to the Commission as addressed by ALJ Pines in the last teleconference held on November 1, 2010.

Has the current OUSF met the statutory goal found in ORS 759.425 of ensuring basic telephone service is available at reasonable and affordable rates? How does the Commission insure that the OUSF money provided to companies is spent for the intended purpose? Can the Commission verify today that the OUSF money provided to companies has historically been spent for the intended purpose?

Yes, the OUSF, as it is defined today, has met the statutory goal of ensuring basic telephone service is available at reasonable and affordable rates. Rural Oregonians in the areas served by Frontier and other ILECs have access to quality service at the same affordable rates as customers in the dense, low cost exchanges. As indicated in Staff's Opening Comments, Frontier's USF support was used to reduce certain business rates while USF support for the smaller companies was used to reduce a component of intrastate access. Companies are held accountable for the use of OUS funds through regular Commission review of annual financial reports. No concern has been raised about appropriate use of the monies.

Should the Commission retain the status quo until it knows what the FCC is doing and how the National Broadband Plan and American Recovery and Reinvestment Act are implemented?

No, modifications to the OUSF should not be delayed until the FCC develops and implements a National Broadband Plan. Because a statutory change is required in order for the Oregon USF to transition to support broadband deployment, that work should proceed, while the details of how the fund would work can be discussed in future workshops and rulemakings.

Additionally, the contribution base should be modified to include wireless, cable and VoIP providers. By broadening the support base to include current communications technologies, the impact on individual consumers is eased and the broader base will more accurately reflect the current competitive environment of multiple technologies and providers. The Commission also should support removal of the wireless exemption currently reflected in 759.425(7). Many of the parties to this docket support expanding the contribution base, including CUB, AT&T, OTA, CenturyLink, TRACER and the Commission Staff.¹

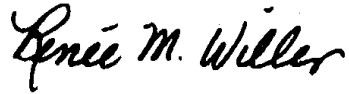
What key public policy objectives should be supported through an OUSF and how does the Commission advance those goals?

The Commission should support the continuation of the OUSF to assure continued availability of affordable voice services in high-cost areas of Oregon. The Commission also should pursue a statutory change that is required to transition the fund to support broadband service and begin working through the details of how such support should be implemented. In addition, the Commission should seek removal of the wireless exemption in 759.425(7), and should, at the same time, expand the contribution base to include all providers to reflect today's competitive environment. OUSF policy should continue to require carrier of last resort obligations as a condition of drawing from the

¹ Opening Comments of Citizen's Utility Board of Oregon at p. 6; Comments of ATT at p. 19-20; Opening Comments of OTA at 17-18; Opening Comments of CenturyLink at p. 9; Opening Comments of TRACER at p. 12-13; Opening Comments of Staff at Issue 66.

OUSF. Frontier appreciates this opportunity to comment on these important issues and looks forward to continued participation in future Commission proceedings.

Respectfully submitted

A handwritten signature in black ink that reads "Renee M. Willer". The signature is written in a cursive style with a large initial 'R' and 'W'.

Renee M. Willer
Authorized Representative
Frontier Communications Northwest Inc.

CERTIFICATE OF SERVICE
UM 1481

I certify that on the 23rd day of November 2010, I served the foregoing CLOSING COMMENTS OF FRONTIER COMMUNICATIONS NORTHWEST INC. in the above entitled docket on the following persons via e-mail and U.S. Mail.

Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148
puc.filingcenter@state.or.us

<p>Charles L. Best 1631 NE Broadway #538 Portland, OR 97232-1425 chuck@charleslbest.com</p> <p>Cynthia Manheim AT&T PO Box 97061 Redmond, WA 98052 Cindy.manheim@att.com</p> <p>David Collier AT&T 645 E Plumb Ln Reno, NV 89502 David.collier@att.com</p> <p>Sharon L Mullin AT&T 400 W 15th Street #930 Austin, TX 78701 slmullin@att.com</p> <p>Art Butler Ater Wynne LLP 601 Union Street #1501 Seattle, WA 98101-3981 aab@aterwynne.com</p> <p>Roger Dunaway Ater Wynne LLP 601 Union Street #1501 Seattle, WA 98101-3981 rtd@aterwynne.com</p>	<p>William E Hendricks Centurylink, Inc. 805 Broadway Vancouver, WA 98660-3277 Tre.hendricks@centurylink.com</p> <p>Gordon Feighner 610 SW Broadway #400 Portland, OR 97205 Gordon@oregoncub.org</p> <p>Robert Jenks 610 SW Broadway #400 Portland, OR 97205 bob@oregoncub.org</p> <p>G. Catroina McCracken 610 SW Broadway #400 Portland, OR 97205 catroina@oregoncub.org</p> <p>Raymond Myers 610 SW Broadway #400 Portland, OR 97205 ray@oregoncub.org</p> <p>Kevin Elliott Parks 610 SW Broadway #400 Portland, OR 97205 Kevin@oregoncub.org</p>
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Doug Cooley
Comcast
1710 Salem Industrial Drive NE
Salem, OR 97303
Doug_cooley@cable.comcast.com

Marsha Spellman
Converge Communications
10425 SW Hawthorne Ln
Portland, OR 97225
marsha@convergecomm.com

Mark Trinchero
1300 SW Fifth Ave #2300
Portland, OR 97201-5682
marktrinchero@dwt.com

Michael Weirich
1162 Court St NE
Salem, OR 97301-4096
Michael.weirich@doj.state.or.us

Barbara Young
Centurylink
902 Wasco St ORHDRA0305
Hood River, OR 97031-3105
Barbara.c.young@centurylink.com

Jeff Smith
GVNW
8050 SW Warm Springs #200
Tualatin, OR 97062
jsmith@gvnw.com

Carsten Koldsbaek
GVNW
8050 SW Warm Springs #200
Tualatin, OR 97062
ckoldsbaek@gvnw.com

Doug Denney
Integra Telecom, Inc.
6160 Golden Hills Dr.
Golden Valley, MN 55416-1020
dkdenney@integratelecom.com

Theodore Gilliam
Integra Telecom, Inc.
1201 NE Lloyd Blvd #400
Portland, OR 97232
tgilliam@integratelecom.com

Richard A Finnigan
2112 Black Lake Blvd SW
Olympia, WA 98512
rickfinn@localaccess.com

Mike Dewey
1249 Commercial St. SE
Salem, OR 97302
mdewey@oregoncable.com

Craig Phillips
OECA
800 C St.
Vancouver, WA
cphillips@oeca.com

Brant Wolf
OTA
777 13th St SE #120
Salem, OR 97301
bwolf@ota-telecom.org

Roger White
OPUC
PO Box 2148
Salem, OR 97308
Roger.white@state.or.us

Mark Reynolds

Qwest

1600 7th Ave #3206

Seattle, WA 98191

Mark.reynolds3@qwest.com

Adam Sherr

Qwest

1600 7th Ave #1506

Seattle, WA 98191

Adam.sherr@qwest.com

Milt Doumit

Verizon

410 11th Ave #103

Olympia WA 98501

Milt.h.doumit@verizon.com

Thomas Dixon

Verizon Corporate Services

707 17th #4200

Denver, CO 90202

Thomas.f.dixon@verizon.com

Adam Haas

10425 SW Hawthorne Ln

Portland, OR 97225

adamhaas@convergecomm.com