

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1481**

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON

Staff investigation of the Oregon Universal  
Service Fund

STAFF'S COMMENTS ON THE  
WARM SPRINGS TELECOMMUNICATIONS'  
MOTION TO CLARIFY

**I. Introduction**

On May 2, 2013, in Docket No. 1481 (Phase II) Order No. 13-162, the Oregon Public Utility Commission (Commission) adopted a stipulation (Stipulation), which established annual disbursement levels for the non-rural and rural incumbent local exchange carriers (ILEC). The commission stated:

Non-Rural Companies' support will be fixed according to the schedule in paragraph 3, below, and will drop to a combined level of \$17.5 million by 2016.

Rural Companies will have a single pro-rata reduction of \$1 million on July 1, 2015 and will also not be affected by line counts as currently agreed to in the Memorandum of Understanding approved in docket UM 1017.

Order No. 13-162 at 3-4.

These two paragraphs established that the support per line for the non-rural and rural companies would not be dependent upon line counts and support per line for the period beginning in 2014 and ending in 2016. For the non-rural companies, the period concludes at the end of 2016, while for the rural companies the period concludes mid-year 2016.

The Commission further stated that:

Between January 1, 2014 and December 31, 2016, any Competitive Local Exchange Carrier (CLEC) designated an Eligible Telecommunications Carrier (ETC) for purposes of OUSF funding will receive the ILEC per line amount in its service area. Warm Springs Telecommunications Company will not be able to receive in excess of \$1.5 million in OUSF annual support.

Order No. 13-162 at 5.

This paragraph established that Warm Springs Telecommunications (Warm Springs), Comspan, and any CLEC meeting the requirements to receive support would receive the ILEC per line amount of support, subject to the existing rules. However, it is unclear whether or not the per-line support would change as the support amounts for the non-rural companies stepped down over the three-year period.

## II. Motion for Clarification by Warm Springs

On February 14, 2014, Warm Springs filed a motion for clarification of the statement that CLECs designated as ETCs for purposes of OUSF funding will receive the ILEC per line amount in its service area. Warm Springs concluded:

Since the level of support that CenturyLink receives is no longer tied to its line count or support per-line by wire center, [Warm Springs Telecommunications] believes that the per-line support amounts should be left frozen for the duration of the stipulation. Therefore, [we] believe that the amount it should receive per line should be the same amount that it presently receives, which is \$149/line/month.

Motion for Clarification at 3.

## III. Staff's Response to the Motion for Clarification

Staff has reviewed Motion for Clarification filed by Warm Springs and Staff believes that the motion is applicable to not only Warm Springs, but also to Comspan. Both companies are CLECs receiving support from the OUSF. Furthermore, Staff believes that the motion should apply to any new CLECs becoming eligible for support over the life of the stipulation.

Staff concludes that the requested Motion for Clarification and the request to freeze the wire center support per line for the duration of the stipulation is reasonable. Staff analyzed scaling back the support to correspond to the reductions in revenues being taken by the companies, but was unable to find a non-arbitrary way of doing this. This was because the reductions in revenues could have been attributed to reductions in lines or decreases in support per line. Aside from being arbitrary, a methodology for doing this separation would require the dollar reduction at the company level to be distributed among the forty-four CenturyLink QC wire centers receiving support or the thirty-nine Frontier Northwest wire centers receiving support.


Staff recommends maintaining the fixed support per line amounts for Frontier Northwest and Century Link QC for the duration of the stipulation for the non-rural companies. Although none of the rural companies presently have CLECs operating in their areas, the same guidelines would apply for them as well.

### III. Conclusion

Staff respectfully requests that the Commission grant the Motion for Clarification and clarify that until December 31, 2016, or the life of the stipulation should it end before that date, the wire center level support amounts will remain frozen at their present levels.

This concludes Staff's Comments on Warm Springs Motion to Clarify.

Dated at Salem, Oregon, this 7th day of March, 2014.



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Roger White  
Program Manager  
Universal Service & Regulatory Analysis

CERTIFICATE OF SERVICE

UM 1481

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-001-0180, to the following parties or attorneys of parties.

Dated this 7th day of March, 2014 at Salem, Oregon



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**UM 1481  
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