

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

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In the Matter of

Application of Douglas Services, Inc. d/b/a  
Douglas FastNet for Designation as an Eligible  
Telecommunications Carrier and Eligible  
Telecommunications Provider for Purposes of  
Obtaining Federal and Oregon Universal  
Service Fund Support

**APPLICATION FOR DESIGNATION  
AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER  
AND ELIGIBLE  
TELECOMMUNICATIONS  
PROVIDER FOR PURPOSES OF  
OBTAINING FEDERAL AND  
OREGON UNIVERSAL SERVICE  
FUND SUPPORT**

**I. INTRODUCTION**

Douglas Services, Inc., d/b/a Douglas FastNet (“DFN”), pursuant to section 214(e)(1)-(2) of the federal Communications Act of 1934, as amended (the “Act”), and section 54.201 of the Federal Communication Commission (“FCC”) rules, and the requirements of the Commission,<sup>1</sup> respectfully submits this application for designation as an Eligible Telecommunications Carrier (“ETC”) throughout the wire centers identified in Exhibit B, which comprise portions of Douglas and Lane counties. Section 214(e)(2) of the Communications Act of 1934, as amended, places the authority for ETC designation with state commissioners. Under sections 214(e)(1) and 254, the Commission has the authority to designate DFN as an ETC.

DFN was first designated as a competitive local exchange carrier (“CLEC”) in Oregon in 2001,<sup>2</sup> and the Commission granted DFN additional authority as a competitive provider in 2009.<sup>3</sup>

<sup>1</sup> See *In the Matter of Public Utility Commission of Oregon Staff Investigation to Establish Requirements for Initial Designation and Recertification of Telecommunications Carriers Eligible to Receive Federal Universal Service Support*, Docket UM 1217, Order No. 06-292 (entered June 13, 2006) (“ETC Order”); *In the Matter of Public Utility Commission of Oregon Staff Investigation into Eligible Communication Carriers’ Requirements*, Docket UM 1648, Order No. 15-382 (entered Dec. 1, 2015) (“Revised ETC Order”); *In the Matter of the Investigation of Universal Service in the State of Oregon*. Order, Docket UM 731, Phase IV (entered June 16, 2000); and OAR Chapter 860, Division 033; Residential Service Protection Fund (the “RSPF Rules”).

<sup>2</sup> See Commission Docket CP 962, Order No. 01-902.

Within Douglas and Lane counties, DFN currently provides broadband service to thirteen school districts, nine city governments, Umpqua Community College, many other government and medical facilities, and over six thousand individual customers.

On May 19, 2015, the Commission granted both DFN's request for designation as a federal ETC for the purposes of receiving Rural Broadband Experiment and federal Lifeline universal service funds, and DFN's request for designation as an Eligible Telecommunications Provider ("ETP") to participate in the Oregon Telephone Assistance Program (OTAP). Under its current ETC and ETP designations, DFN's designated service area consists of the census blocks for which the FCC granted DFN Rural Broadband Experiment funding in 2015. Those census blocks are listed in Exhibit A, attached hereto. In DFN's 2015 application that culminated in its existing ETC and ETP designation, it noted that it was "not requesting eligibility to participate in the OUSF at this time," but expressly "reserve[d] the right to apply for OUSF participation at a later date."<sup>4</sup>

DFN now seeks to expand its existing ETC and ETP designations in two respects. First, DFN seeks designation in additional wire centers in Douglas and Lane counties. The list of additional wire centers for which DFN now seeks ETC and ETP designation is attached hereto as Exhibit B. Second, DFN now seeks designation for purposes of receiving additional types of universal service support. DFN's existing ETC designation was for purposes of receiving Rural Broadband Experiment funding and federal Lifeline funding; its existing ETP designation is for purposes of receiving Oregon Telephone Assistance Program ("OTAP") funding. In order to facilitate investment, construction, operation, maintenance, and repair of DFN's current fiber network in high cost wire centers and to ensure that basic telephone service provided over that

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<sup>3</sup> See Commission Docket CP 1457, Order No. 09-322.

<sup>4</sup> *In the Matter of Application of Douglas Services, Inc. d/b/a Douglas FastNet for Designation as an Eligible Telecommunications Carrier in the State of Oregon for the Limited Purpose of Offering Lifeline Service to Qualified Households and Request for Waiver, Application for Designation as an Eligible Telecommunications Carrier and Request for Waiver, Docket No. UM 1721 (filed Mar. 20, 2015), at 18.*

network remains available at reasonable and affordable rates, DFN now seeks general designation as an ETC and ETP, making DFN eligible for all available support from the federal Universal Service Fund (“USF”) and, in particular, to receive support from the Oregon Universal Service Fund (“OUSF”) for services provided in high-cost wire centers in Douglas and Lane counties.

The areas in DFN’s proposed ETC/ETP designated service area that are eligible for OUSF support are indicated in the chart below:

Wire Center(s)	Incumbent Local Exchange Carrier	Amount of monthly OUSF support per basic service line
Camas Valley, Drain, and Glide	CenturyTel of Eastern Oregon	\$6.13
Yoncalla	CenturyTel of Oregon	\$6.13
Sutherlin	Century Link Qwest	\$17.93
Winston	Century Link Qwest	\$9.49

When DFN serves customers using its own loop facilities, under proposed OAR 860-100-0125(2)(a), DFN is entitled to receive the full OUSF support amount per line shown above, subject to the calculation methodology adopted by the Commission in UM 1481.<sup>5</sup> When DFN uses UNE loops to serve customers, under proposed OAR 860-100-125(2)(c), DFN is entitled to receive shared support per line as set forth in the document entitled “OUS Support Per ILEC Wire Center” on the Commission’s website, available at

<http://www.puc.state.or.us/ousf/Pages/index.aspx>.

As detailed below, DFN meets all the requirements for ETC and ETP designation, both for receipt of federal and OUSF support. First, DFN meets all of the Commission’s requirements

<sup>5</sup> Pursuant to Commission Order No. 16-093 in Docket UM 1481 “[f]or the period January 1, 2017 through December 31, 2021, a qualified CLEC that is designated as an ETC for purposes of OUSF will draw at the ILEC per-line amount for the area it serves. The ILEC per-line support amount will begin with the base per-line support value contained in the "Base Per Line Support Amounts," which is found on the PUC website. The per-line amount will be adjusted to reflect the percent reduction that has occurred for the specific Non-Rural Company.”

for ETC designation as revised by the Commission in 2015.<sup>6</sup> As detailed in Section II, DFN satisfies each requirement in the Commission’s revised “checklist” set forth in Appendix A to Order No. 15-382 in docket UM 1648, which apply to “any carrier requesting designation as an ETC in Oregon.”

Second, as explained in Section III below, DFN meets all the requirements for ETP designation, as revised by Order No. 15-382.

Third, as explained in Section IV, DFN satisfies all requirements for OUSF funding. These include the existing requirements established in Commission Order 00-312. Fourth and finally, as discussed in Section V, DFN also satisfies the new requirements recently proposed by the Commission in Docket AR 611.

## **II. DFN MEETS ALL THE REQUIREMENTS FOR ETC DESIGNATION**

### **1. Information regarding applicant and its common carrier status**

In satisfaction of checklist item 1.1, the entity requesting designation is Douglas Services, Inc., d/b/a Douglas FastNet, a subsidiary of Douglas Electric Cooperative, Inc. In satisfaction of checklist item 1.2, DFN is a common carrier. Specifically, DFN is a CLEC in Oregon, initially authorized by the Commission under Docket CP 962, Order No. 01-902, and subsequently under Docket CP 1457, Order No. 09-322. With respect to item 1.3, DFN provides voice and broadband service across Douglas County and portions of Lane County, as relevant to this Application, specifically in portions of the Camas Valley, Drain, and Glide exchanges of CenturyTel of Eastern Oregon, the Oakland-Sutherlin and Roseburg exchanges of Qwest Corporation (including the Winston wire center), and the Yoncalla exchange of CenturyTel of Oregon. DFN provides fixed wireless Internet services in hard-to-reach areas of Douglas County.

In satisfaction of item 1.4, DFN has the financial and technical capability to provide the

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<sup>6</sup> See Revised ETC Order, Exhibit A (setting forth “checklist” of requirements applicable to all ETC designations).

supported services in compliance with FCC and Commission rules. DFN has been in business since 2001, has over 2000 voice customers and over 6000 broadband customers. Accordingly, DFN does not intend to rely exclusively on USF disbursements to operate, and generates significant revenue from the current services it provides to voice and broadband customers, including non-Lifeline customers. Finally, DFN has not been subject to any enforcement action or ETC revocation proceedings in any other jurisdiction.

**2. Type of federal universal service support for which designation is requested**

Per checklist item 2.1, DFN seeks eligibility for all available support, including low-income support from the federal USF) and OTAP, and high-cost support from the OUSF. DFN has no pending federal USF support award that is conditional upon the ETC designation sought herein.

**3. Commitment and ability to provide all supported services**

Checklist item 3.1 requires a statement of commitment to offer supported voice telephony services. Section 54.101 of the FCC rules requires an ETC eligible to receive high-cost support to offer to provide voice telephony services.<sup>7</sup> Eligible voice telephony services must provide (1) voice grade access to the public switched network or its functional equivalent, (2) minutes of local usage provided at no additional charge to end users, (3) access to emergency services including 911, where implemented, and (4) toll limitation for qualifying low-income customers. DFN offers, and commits that it will continue to offer, all of the foregoing services. In particular, DFN will offer a standalone voice offering that meets the definition of “basic telephone service” set forth in OAR 860-032-0190, including local exchange calling and access to EAS, long-distance, relay service for the hearing and speech impaired, operator services, directory assistance, and 911. Accordingly, with respect to item 3.2, DFN currently offers the required voice telephony services.

Item 3.3 requires an ETC applicant to identify and describe its local voice telephony

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<sup>7</sup> 47 C.F.R. § 54.101(b) and (a)(1).

service offerings within the designated service area. The names, number of minutes, calling areas, and prices of DFN's offerings can be found at <https://dfn.net/phone>. Item 3.4 requires a description of broadband services to be offered, if such services must be provided as a condition for receiving USF support. Although such services are not a condition of any pending support award, details of DFN's broadband offerings can be found at <https://dfn.net/internet>.

#### **4. Identification and definition of proposed designated service area**

In satisfaction of checklist item 4.1, DFN's requested ETC service area in Oregon consists of certain wire centers in Douglas and Lane counties. DFN will offer supported services to any potential customer in this proposed designated service area. In satisfaction of item 4.1.1, a map of the wire centers corresponding to the proposed designated service area is attached as Exhibit C. As to requirement 4.1.2, DFN's rationale for defining the designated service area by wire centers is that OUSF support is based on wire center cost data. Using wire centers as the basis for the geographic area for DFN's OUSF ETC designation is consistent with the approach the Commission has taken to date for determining OUSF support amounts. Per checklist item 4.1.3, each of the wire centers DFN proposes to include in the designated ETC service area, Exhibit B. Finally, with respect to checklist item 4.1.4, DFN does not propose to include Tribal lands in its designated service area at this time. Accordingly, to the extent that Tribal lands overlap with the wire centers identified in Exhibit B, DFN requests that such Tribal lands be excluded from the designated service area. If DFN seeks designation on Tribal lands in the future, it will adhere to the Tribal notification requirements set forth item 11 of Exhibit A to Order 15-382. In satisfaction of requirement 4.2 of Order 06-292, a map of DFN's existing fiber network within its proposed ETC area is attached as Confidential Exhibit D.

#### **5. Types of facilities used to offer supported services**

Checklist item 5.1 requires a description of types of network facilities currently used to provide service. DFN uses state-of-the-art fiber networks to serve customers, and plans to continue to use and expand this network to serve customers throughout the proposed designated

service area. DFN plans to provide such customers with Fiber-to-the-Home or Fiber-to-the-Node service based on technical feasibility and proximity to DFN's fiber network. With respect to application item 5.2, DFN expects to primarily serve customers using its own facilities. Although DFN's network may not initially reach every customer in the designated service area, DFN expects that by extending its network DFN would be able to serve any customer requesting service within a reasonable time and at reasonable cost. If necessary to provide services to customers within the designated service area who are not reachable by its fiber network, DFN may make use of its fixed wireless infrastructure, or may serve those customers through interconnection with and/or resale of the services of the incumbent local exchange carrier. To the extent that checklist item 5.3, "a map showing current coverage and, explanation of the basis for depiction of coverage," is applicable to DFN, it is satisfied by the map provided in Confidential Exhibit D.

Checklist item 5.4 requires identification of service providers with which applicant has current and relevant resale or interconnection agreements. In satisfaction of this requirement, DFN identifies the following carriers with whom it has current interconnection agreements that are relevant to the areas in which it now seeks ETC designation:

Qwest Corporation d/b/a CenturyLink  
CenturyTel of Eastern Oregon, Inc. d/b/a CenturyLink  
CenturyTel of Oregon, Inc. d/b/a CenturyLink

**6. Commitment to use support funds in accordance with FCC and Commission rules**

In satisfaction of item 6.1, DFN hereby states its commitment to use support funds in accordance with FCC and Commission rules, as reflected in the attached Affidavit of Todd Way, a corporate officer of DFN. Per item 6.2, DFN also certifies that it will comply with the service requirements applicable to the support it receives, including without limitation, the Commission's rules and orders governing ETCs and ETPs, and the applicable provisions of the FCC rules, 47 C.F.R. § 54.101, et seq., including all applicable limitations on use of funds and

reporting requirements. DFN specifically commits to comply with all rules for offering Lifeline and OTAP services, including FCC-required disclosures to consumers concerning Lifeline service offering in Lifeline marketing materials, and further commits to adhere to the advertising, marketing, and disclosure rules set forth in OAR 860-033-0110.

Requirement 6.3 is a five-year plan that describes with specificity proposed improvements or upgrades to applicant's network throughout its proposed service area, including estimates of the area and population that will be served as a result of the improvements. This requirement applies only to ETC applicants seeking federal high-cost support. DFN is not seeking federal high-cost support at this time.<sup>8</sup> Accordingly, requirement 6.3 is inapplicable to DFN.

**7. Commitment to advertise high-cost (non-Lifeline) supported services throughout the service area**

In satisfaction of item 7.1, DFN affirms its commitment to advertise supported services throughout the service area. DFN's business depends on revenues from its voice and broadband plans to customers. It has no intention to cease advertising those services. With respect to item 7.2, a brief description of advertising plans for supported services, DFN will publicize the availability of its non-Lifeline service offerings in a manner designed to facilitate consumer awareness of DFN's competitive offerings and attract new customers to DFN. This effort will include advertising through media of general distribution, and Internet advertising.

**8. Commitment to offer and advertise Lifeline and OTAP services**

In satisfaction of checklist item 8.1, DFN commits to offer and advertise Lifeline and OTAP services throughout the designated service area. In satisfaction of requirement 8.2, the identification and description of specific service offerings that applicant will provide to qualifying Lifeline and OTAP customers, DFN notes that it will continue to offer the Lifeline

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<sup>8</sup> Recipients of OUS support are not required to submit a five year plan.



discounts on its voice-only basic telephone service offering<sup>9</sup> that will not exceed \$34.99 per month. Customers qualifying for Lifeline will also be permitted to apply the Lifeline discount to DFN's bundled service plans that include voice and broadband. Because DFN does not plan to offer any Lifeline services at no charge to the customer, neither requirement 8.2.1 nor requirement 8.2.2 applies to DFN.

Checklist requirement 8.3 asks for a description of advertising plans designed to reach the target low-income population that applicant will implement after designation. DFN therefore reaffirms its commitment advertise the availability of its Lifeline and OTAP service offerings throughout its designated service area in a manner reasonably designed to reach those likely to qualify for the service. Consistent with FCC rules, DFN will advertise the availability of its Lifeline offerings via media of general distribution (e.g., newspaper, magazine, or radio advertisements as well as direct mailings, bill inserts, or public displays).<sup>10</sup> DFN will continue to utilize the FCC's 2004 outreach guidelines for advertising Lifeline service offering, including use of outreach materials and methods designed to reach households that currently do not have telephone service, development of advertising material for non-English speaking populations within its service area, and coordination of outreach efforts with relevant government agencies. DFN also reaffirms its commitment to work with relevant state agencies, community outreach organizations, and non-profit organizations to make information available regarding DFN's Lifeline and OTAP service offerings in resource guides and other printed material produced by those organizations, as well as in their offices or other locations visited by potential Lifeline-eligible subscribers. DFN will build on its existing relationships with these organizations in Douglas County and will look for opportunities to forge stronger relationships with similar organizations in Lane county.

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<sup>9</sup> DFN's offering meets the definition of basic telephone service set forth in OAR 860-032-0910.

<sup>10</sup> 47 C.F.R. § 54.201(d)(2).

In accordance with item 8.4 in Exhibit A to Order 15-382, DFN hereby requests designation as an Eligible Telecommunications Provider to allow it to participate in the OTAP program throughout the expanded designated ETC service area proposed herein. Consistent with item 8.4 and the foregoing request, DFN commits itself to follow all applicable OTAP and RSPF requirements, including OAR Chapter 860-033 sections 0010, 0030, 0035, 0045-46, 0100 and 0110.

Checklist item 8.5 is documentation showing the applicant's policies and procedures related to the training of third-party representatives and employees on Lifeline and/or OTAP requirements, as well as documentation showing internal quality control measures for actual applications received by the applicant. With respect to this requirement, DFN notes that it will not utilize third-party representatives to market Lifeline/OTAP plans. There is very low risk of any waste, fraud, or abuse with respect to DFN's Lifeline plans. DFN applies the Lifeline discount to existing service plans, to which customers contribute the remaining monthly fees, eliminating the need to train DFN employees on distinct Lifeline plans. DFN will utilize its regular employee training to ensure that its employees are trained on the availability of Lifeline discounts.

Finally, in accordance with checklist item 8.6, after the ETC designation requested herein is granted by the Commission, DFN will file all necessary information with the FCC's designated administrator, the Universal Service Administrative Corporation, to fulfill any and all requirements under 47 C.F.R. § 54.401(d).

## **9. Ability to remain functional in emergency situations**

Checklist item 9.1 requires that an ETC demonstrate its ability to retain functionality in an emergency situation.<sup>11</sup> Per item 9.1.1, 9.1.2., and 9.1.3, respectively, that demonstration must specifically address the amount of back-up power available to the ETC, the ETC's ability to reroute traffic around damaged facilities, and the ETC's ability to manage traffic spikes resulting

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<sup>11</sup> *Id.* at § 54.202(a)(2).

from emergency situations.<sup>12</sup> DFN has sufficient back-up power to ensure functionality without an external power source. In addition, DFN has sufficient excess capacity and/or redundancy in its network that it can re-route traffic around damaged facilities. DFN is also able to manage traffic spikes resulting from emergency situations.

**10. Commitment to meet service quality and consumer protection standards**

Per checklist item 10.1, DFN is committed to specific, objective measures for service quality and consumer protection, including adherence to Commission rules for wireline carriers. Because DFN is already operating as a CLEC, it is familiar with the Commission's consumer protection and service quality rules. Moreover, as an Oregon business, DFN understand that it must abide by Oregon's consumer protection law. DFN is committed to strict adherence with applicable consumer privacy rules, and is equally committed to working constructively with the Commission to resolve customer complaints received by the Commission staff. DFN has designated Todd Way to work directly with the Commission's Consumer Services Complaint Division to resolve any complaints the Commission may receive.

**11. Designation on Tribal Lands**

Checklist item 11, and its subparts, set forth the Commission's requirements for applicants requesting designation on Tribal lands, including notice to the appropriate Tribal government, a summary of Tribal engagement efforts, and the results of such efforts. Because DFN is not seeking designation on Tribal lands at this time, these requirements are inapplicable to this application.

**12. Public interest showing**

Requirement 12.1 asks for a "[d]emonstration that designation would be in the public interest," specifically addressing increase in consumer choice (12.1.1), advantages and disadvantages of the applicant's service offering (12.1.2), and any other specific criteria determined by the Commission (12.1.3). As demonstrated below, DFN's requested designation

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<sup>12</sup> *Id.*

as an ETC and ETP is in the public interest.

First and foremost, the requested designation of DFN as an ETC and ETP will provide better service for customers in Douglas and Lane counties. The designation will make available OUS funds for DFN to continue to expand, maintain, and upgrade its high-speed fiber optic networks within Douglas and Lane counties, providing high-quality voice and broadband services to rural customers there. DFN's plans to improve and expand its network will allow it to provide voice and broadband services to additional rural residents in Lane and Douglas counties, as well as to institutions on which residents in those counties depend. Besides being able to reach additional customers, DFN anticipates being able to provide higher-quality services, including the ability to offer faster broadband speeds to a greater proportion of its customers in rural areas. DFN's fiber-based voice service offerings provide a high-quality product for rural customers, and its broadband services provide speeds of up to 1 Gbps – a speed comparable to the fastest ILEC speeds offered in the Portland metro area – to customers in Douglas and Lane counties. These factors alone merit a finding that designation here is in the public interest.

Second, the requested ETC and ETP designation would promote consumer choice and competition. The FCC has determined that while “[d]esignation of competitive ETCs promotes and benefits consumers...by increasing customer choice,” designation must include “an affirmative determination that such designation is in the public interest regardless of whether the applicant seeks designation in an area served by a rural or non-rural carrier.”<sup>13</sup> Here, the advantages of increased consumer choice are clear: DFN's voice offerings are attractively-priced and provide an affordable alternative to ILEC plans, and its broadband services offer very high performance at competitive prices. The FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the

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<sup>13</sup> See In the Matter of Federal-State Joint Board on Universal Service, Report and Order, CC Docket No. 96-45, 20 FCC Rcd 6371, ¶ 40-43 (released March 17, 2005). See *id.* at ¶ 42.

resulting variety of telecommunications services they provide.<sup>14</sup> Competitive providers like DFN, particularly those that build-out their own networks, provide a critical alternative to ILEC service. By creating an alternative to the ILECs, DFN will create incentives for the ILEC to improve networks, increase service offerings and lower prices. DFN's fiber network fills unmet needs for high-performance voice and broadband services, and also may fill gaps in ILEC service coverage. As the FCC has recognized, not all households necessarily have access to the local ILEC's public switched network.<sup>15</sup> In short, designation of DFN as requested here would strengthen the competition that helps ensure that rates are "just, reasonable, and affordable."<sup>16</sup>

### **13. Commitment to provide reports as required**

Checklist item 13 reflects the obligation of ETCs and ETPs to provide annual ETC reports and such other reports as required by the Commission's rules. With respect to checklist item 13.1, DFN commits to comply with all annual reports required by the Commission's rules. In addition, in satisfaction of item 13.2, DFN commits to cooperate with the Commission staff in providing special weekly, monthly, or quarterly reports that Commission staff may reasonably find necessary based on program requirements and the circumstances of DFN, and which DFN, in good faith, commits to provide to the Commission.

## **II. DFN MEETS THE REQUIREMENTS FOR ETP DESIGNATION**

As noted above, Commission requirement 8.1 requires ETC applicants to commit to offer and advertise Lifeline and OTAP services throughout the designated service area, which in turn requires designation as an ETP. Prior to Commission Order 15-382, the Commission required carriers to complete a separate application for ETP designation. However, in Order No. 15-382,

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<sup>14</sup> See, e.g., *In re Establishment of Policies and Procedures for Consideration of Application to Provide Specialized Common Carrier Services in the Domestic Public Point-to-Point Microwave Radio Service*, 29 F.C.C.2d 870 (1971).

<sup>15</sup> *Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier for the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 6422 (2004).

<sup>16</sup> Cf. 47 U.S.C. § 254(b)(1).

the Commission streamlined the ETP application process by incorporating it into item number 8 in the ETC “checklist.” As the Commission explained: “New sub-requirements 8.4 and 8.5 improve application review efficiency by incorporating the OTAP ETP requirements into the ETC process.” In section I.8, *supra*, DFN affirmed its commitment to abide by sub-requirements 8.4 and 8.5. Accordingly, ETP designation is appropriate here.

### **III. DFN MEETS ALL THE REQUIREMENTS FOR OUSF FUNDING ESTABLISHED IN ORDER NO. 00-312**

In Commission Order No. 00-312,<sup>17</sup> the Commission established criteria for any carrier to be eligible to participate in the OUS program. There, the Commission adopted Staff recommendations that to qualify as an ETC under the OUS program, the carrier must meet twelve requirements. Several of these track the ETC requirements already discussed. As explained below, DFN meets all of these requirements.

- 1. Offer, throughout the designated service area, services we have defined to be basic local exchange services, using the carrier’s own facilities, leased UNE facilities, or a combination of its own or leased facilities and resale of another carrier’s retail services**

DFN meets this requirement because it serves customers with its own fiber network, as discussed in connection with checklist item 5.1 and 5.2, above.

- 2. Advertise in media of general distribution throughout the designated service area the availability and prices of supported basic local exchange services**

DFN satisfies this requirement because, as described in connection with checklist items 7 and 8, above, DFN is committed to continue advertising supported services throughout the requested designated service area. This advertising includes publicizing the pricing for DFN’s basic voice-only service offering.

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<sup>17</sup> *In the Matter of the Investigation of Universal Service in the State of Oregon*, Order, Docket UM 731, Phase IV (entered June 16, 2000).

**3. Offer the Oregon Telephone Assistance Program (OTAP), in compliance with Oregon Administrative Rules 860-033-0001 through 860-033-0046**

This requirement is met because, as described for checklist item 8 above, DFN will continue to offer and advertise OTAP and Lifeline services, and will abide by the Commission's OTAP rules.

**4. Not deny or disconnect basic local exchange service to an OTAP customer for failure to pay for toll charges.**

DFN commits that it will not deny or disconnect basic local exchange service to an OTAP customer for failure to pay for toll charges. This requirement is therefore satisfied.

**5. Not require a deposit from OTAP customers who voluntarily elect to receive toll blocking service**

As noted with respect to checklist item 3.2, DFN will offer toll limitation service to qualified low-income customers, including all OTAP customers. DFN will not require a deposit from those customers that elect to receive toll blocking service.

**6. Accept the duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers;**

As discussed in connection with checklist item 5.4, DFN has interconnection agreements with several carriers in Oregon, and as discussed in item 3.2, DFN provides customers with access to the public switched telephone network. Accordingly, DFN meets this OUSF requirement.

**7. Not install network features, functions, or capabilities that do not comply with the Telco Act's requirements for access by persons with disabilities and coordination for interconnectivity**

DFN will abide by this requirement, will not install such equipment, and will additionally abide by the Commission's rules concerning assistive telecommunications devices and adaptive equipment.

**8. Not prohibit or impose unreasonable or discriminatory conditions or limitations on the resale of telecommunications services**

DFN will not prohibit resale of telecommunications services that it provides or impose unreasonable conditions on such resale, thereby satisfying this OUSF requirement.

**9. Provide, to the extent technically feasible, number portability in compliance with FCC rules**

DFN will continue to abide by the FCC's number portability rules to the extent technically feasible, in satisfaction of this requirement.

**10. Provide dialing parity to other telecommunications providers**

DFN commits to providing dialing parity to other telecommunications providers, as required by this criterion.

**11. Provide access to rights-of-way to other telecommunications providers**

To the extent that DFN controls access to any rights-of-way, DFN will not impede or impose unreasonable conditions on access by other telecommunication providers, thereby meeting this requirement.

**12. Establish reciprocal compensation arrangements for the transport and termination of telecommunications.**

DFN has met this requirement through its interconnection agreements with other carriers, as noted in conjunction with checklist item 5 above.

In addition to adopting the Staff recommended criteria above, the Commission adopted a requirement that ETCs must offer supported services on a stand-alone basis, rather than offering supported services only as part of a bundle. As already discussed, DFN will offer a voice-only basic telephone service offering as well as bundled plans. Accordingly, this additional requirement is satisfied.

**IV. DFN MEETS ALL THE REQUIREMENTS FOR OUSF FUNDING IN PROPOSED RULE OAR 860-100-0200**

Recently, in docket AR 611, the Commission issued a Notice of Proposed Rulemaking concerning additional revisions to the Commission's OUSF rules.<sup>18</sup> Although not yet adopted, DFN meets all the requirements set forth in proposed rule OAR 860-100-0200. Specifically,

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<sup>18</sup> In the Matter of Rules Regarding Oregon Universal Service Fund Process and Procedures (AR 611), Notice of Proposed Rulemaking, Docket AR 611 (filed July 12, 2017).



DFN: (a) holds a certificate of authority (see item 1.2); (b) offers the supported services, including basic telephone service (see item 3.1); (c) will offer the supported service throughout the designated service area (see item 7.1); (d) will use DFN's own facilities in providing service (see item 5.1); will use the OUSF support it receives for investment, construction, operation, maintenance, and repair to ensure that basic telephone service is available at reasonable and affordable rates in the designated service area (see items 3.1 and 8); will advertise the services (see items 7 and 8); seeks certification from the Commission to offer OTAP service in the designated service area (see item 8); has the ability to remain functional in emergencies (see item 9.1); is committed to abiding by the Commission's required service quality and consumer protection standards (see item 10.1); has demonstrated that provision of support is in the public interest (see item 12); and will meet all the reporting requirements relating to OUSF contributions and distributions, including the requirements set forth in OAR 860-100. This application demonstrates DFN's satisfaction of each of the requirements set forth in proposed OAR 860-100-0200(2).

Finally, none of the conditions that would render a carrier *ineligible* for OUSF support under the proposed rules apply here. Specifically, DFN has no outstanding fee assessments from the Commission for failure to comply with its certificate of authority, and its certificate of authority has not been cancelled by the Commission.

## V. CONCLUSION

For the reasons explained above, DFN respectfully requests that the commission grant its application for designation as an ETC and ETP in the designated service area identified in Exhibits A and B and authorize DFN to receive OUSF support.

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DATED this 11th day of September 2017.

DAVIS WRIGHT TREMAINE LLP



By: \_\_\_\_\_

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EXHIBIT A

Designated Service Area  
List of Existing Census Blocks

410190700002343	410190700001020	410190700002115	410191700002312	410190600001208
410191000002055	410190600001173	410190400001118	410190600001067	410190600001081
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	410190600001109	410191700002172	410190700001053	410190700001054
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EXHIBIT A

Designated Service Area  
List of Existing Census Blocks

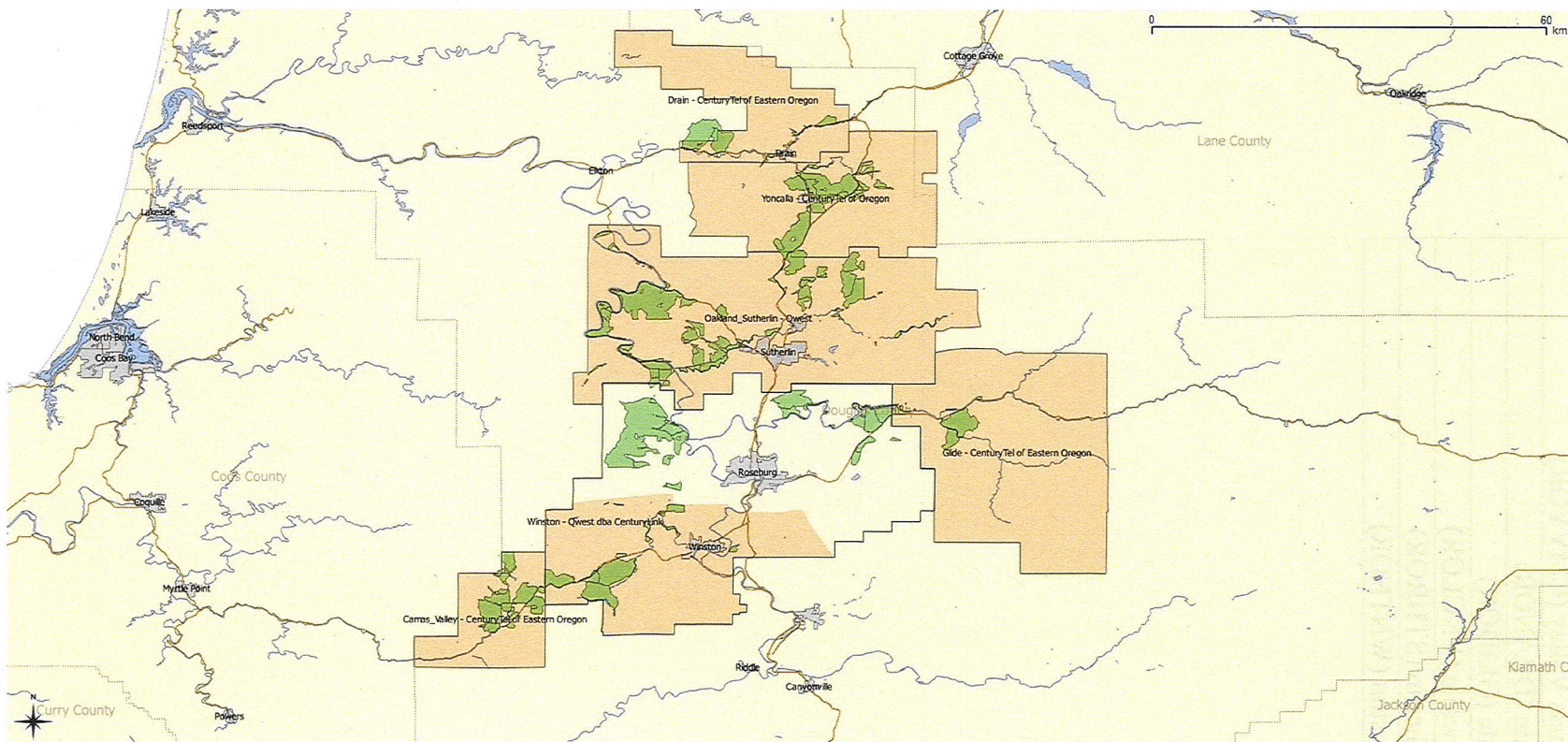
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410190700002519	410191700002337	410191600001029	410190600001144
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410190300001292	410190500011208	410191700002313	410190300001105
410190700002395	410191100001056	410190400001019	410190500012086
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EXHIBIT B

Designated Service Area  
List of Wire Centers (New)

Camas Valley (CMVYOR)
Drain (DRANOR)
Glide (GLIDOR)
Yoncalla (YNCLOR)
Sutherlin (STHROR)
Winston (WNTNOR)

EXHIBIT C  
Existing & Proposed Designated Service Area  
Existing Census Blocks (Green) & Proposed Wire Centers (Orange)



CONFIDENTIAL EXHIBIT D  
Map of DFN's Existing Network (shown in Red)  
With Existing Census Blocks (Green) and Proposed Wire Centers (Orange)

[Confidential]

**REDACTED**

[Confidential]

Page 1 – Confidential Exhibit D

**CONFIDENTIAL – SUBJECT TO GENERAL PROTECTIVE ORDER**

The network map herein comprises trade secrets of Douglas Fast Net and is conditionally exempt from public disclosure under ORS 192.501(2).

