

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 27, 2016

REGULAR  CONSENT  EFFECTIVE DATE October 2, 2016

DATE: September 14, 2016

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: CENTURYTEL OF OREGON: (Docket No. ADV 377/Advice No. 352)  
Introduces policy for E-Rate services funded by Federal Universal Service Fund (FCC Docket No. 96-45, FCC 97-157).

**STAFF RECOMMENDATION:**

Staff recommends that the Commission allow CenturyTel of Oregon, Inc. and CenturyTel of Eastern Oregon Inc. d/b/a CenturyLink's (CenturyTel) Advice Filing No. 352, introducing policy for E-Rate in compliance with the Federal Communications Commission's (FCC) Universal Service Orders regarding E-rate services, to go into effect on October 2, 2016.

**DISCUSSION:**

Issue

Whether CenturyTel's Advice Filing No. 352 introducing policy related to E-Rate Service in its OR PUC Tariff No. 6 is in compliance with the FCC's Universal Service Orders such that the Commission should approve it.

Applicable Law

ORS 759.255 authorizes the Commission to allow a telecommunications utility to provide service under an alternative form of regulation (what is commonly referred to as a "Price Plan"). CenturyTel currently provides service under a price plan the Commission approved in its Order No. 14-347. Section P of the Price Plan requires CenturyTel to file a tariff that proposes to change rates, terms or conditions of service at least 30 days prior to its effective date.

The FCC Universal Service Orders (FCC Orders) established a Universal Service Support Mechanism designed to ensure affordable telecommunications service to all citizens,

including low-income consumers and eligible schools, libraries and consortia (customers). See FCC Docket 96-45, FCC 97-157). The support provided through the FCC Orders to schools, libraries and consortia is generally referred to as the E-Rate Program.

### Discussion and Analysis

On September 2, 2016, CenturyTel filed its Advice Filing No. 352 which establishes policy related to its offering of E-Rate service in its Oregon P.U.C. No. 6 Tariff to be effective October 2, 2016. The filing thus provides the 30 days' notice required by Section P of the Price Plan.

The filing adds language to CenturyTel's retail services tariff No. 6, to clarify the responsibilities of schools and libraries receiving discounted services funded by the federal universal service fund (USF). The filing does not change the way CenturyTel administers school and library services funded by the federal USF. The filing merely documents current policies in CenturyTel's tariff.

Pursuant to Federal Communications Commission (FCC) Docket No. 96-45, FCC 97-157 (Universal Service Order), schools, libraries and consortia may be eligible for reduced rates funded by the federal USF. The filing clarifies that it is the customer's responsibility to ensure that full payment is made for all services provided to the customer by CenturyTel. For example:

- It is the customer's responsibility to abide by all E-Rate Program rules.
- It is the customer's responsibility to file for support with the Universal Service Administrative Company (USAC).
- It is the customer's responsibility to notify CenturyTel when it receives its Funding Commitment Decision Letter from USAC.
- It is the customer's responsibility to apply for any additional support (i.e., from state and/or local funding sources).
- It is the customer's responsibility to pay, in full, invoices for services provided prior to notification of approval from any funding source. Appropriate credit will be issued for discounts applicable to previously paid invoices.
- Customer will reimburse CenturyTel if its funding source fails, for any reason, to pay amounts invoiced for service provided to customer.
- For service agreements of more than one year, customer may not terminate Agreement solely due to its failure to receive support.
- CenturyTel is not responsible for customer's compliance with FCC, USAC, or any funding source rules, regulations, decisions or actions.

### Conclusion

From my analysis, I conclude that the filing is reasonable and necessary. When invoices for services provided to any particular customer go unpaid, the costs incurred

Docket No. ADV 377 CenturyTel  
September 14, 2016  
Page 3

by CenturyTel to provide the services may get passed along to other customers. CenturyTel is complying with rules promulgated by the FCC in its E-Rate Orders including changes included in the First and Second Modernization Orders which include consortia as potential beneficiaries and allows for use of discount percentages. (Order No. 14-99 and Order No. 14-189).

Staff has reviewed the Company's filing and concludes that its proposed tariff sheets are in compliance with the FCC Orders, and its applicable rules related to the E-rate Program.

**PROPOSED COMMISSION MOTION:**

Allow CenturyTel's Advice Filing No. 352 tariff filing to go into effect as of October 2, 2016.

CenturyTel.09272016.E-RateCompliance