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## **OF OREGON**

#### UM 873

In the Matter of	)	
	)	
ELIGIBLE TELECOMMUNICATIONS	)	
CARRIERS	)	ORDER
	)	
Annual certification for continued eligibility to	)	
receive federal universal service fund high cost	)	
support pursuant to FCC Order No. 01-157;	)	
and annual certification of non-rural ILEC	)	
basic service rates pursuant to FCC Order	)	
No. 03-249.	)	

## DISPOSITION: ELIGIBLE TELECOMMUNICATIONS CARRIERS DESIGNATED TO RECEIVE FEDERAL UNIVERSAL SERVICE HIGH COST FUND SUPPORT; AND

BASIC SERVICE RATES CHARGED BY NON-RURAL LOCAL EXCHANGE CARRIERS IN RURAL AREAS DEEMED COMPARABLE TO A NATIONAL URBAN BENCHMARK

## ELIGIBLE TELECOMMUNICATIONS CARRIERS

The Federal Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the Act), delegates authority to state commissions to designate the telecommunications carriers who are eligible to receive federal Universal Service Fund (USF) support. To qualify, a carrier must meet certain requirements. The requirements include offering services supported by the federal universal service support mechanisms and advertising the availability of those services in media of general distribution.

At the Public Utility Commission of Oregon's (Commission) December 2, 1997 Public Meeting, we designated 32 local exchange carriers (ILECs) as eligible for federal USF support. Our decision was memorialized in Order No. 97-481. On June 24, 2004, the Commission issued Order Nos. 04-355 and 04-356 which designated two Commercial Mobile Radio Service (CMRS) carriers as authorized to receive federal USF support.

On May 23, 2001, the Federal Communications Commission (FCC) released FCC Order No. 01-157.<sup>1</sup> Among other things, that order requires states to file annual certifications with the FCC certifying that the use of federal universal service funds is consistent with Section 254(e) of the Act. In order for rural ILECs, or other eligible telecommunications carriers (ETCs) operating in the service areas of rural ILECs, to continue to receive federal support after January 1, 2002, the FCC required that state certifications be submitted to the FCC and the Universal Service Administrative Company by October 1st of each year.

In compliance with the federal requirements, the Commission certified the eligibility of Oregon's rural local exchange companies at public meetings in 2001 (Order No. 01-819), 2002 (Order No. 02-605) and 2003 (Order No. 03-551). This Order addresses eligibility certification for 2004.

In response to requests from the Commission staff (Staff), 34 Oregon ETCs, including 32 rural telephone companies and two CMRS carriers, filed signed and sworn affidavits attesting to the use of federal USF support in compliance with the FCC rule. We addressed the certification matter at our Public Meeting on September 7, 2004, and adopted Staff's recommendation to certify the responding telecommunications carriers. The Staff Report, which includes a list of the 34 carriers, is attached to this order as Appendix A.

## RURAL TO URBAN BASIC SERVICE RATE COMPARABILITY

On October 27, 2003, the FCC issued Order No. 03-249, which requires state public utility commissions to certify that the basic service rates charged by <u>non-rural</u> ILECs in their <u>rural</u> service areas are reasonably comparable to urban rates nationwide. This determination is made by comparing the basic service rates charged by non-rural ILECs in their rural service areas to a national average benchmark for urban basic service rates as calculated by the FCC.

In compliance with this federal requirement, Staff conducted an analysis of the basic service rates charged by Oregon's non-rural ILECS, Qwest and Verizon, in their rural service territories. Staff's analysis indicates that in many rural exchanges, Qwest and Verizon charge basic service rates below the current national average urban benchmark of \$24.75 per line per month as calculated by the FCC. In all cases, the basic service rates charged by Qwest and Verizon in rural exchanges are significantly below the FCC's current "safe harbor" rate of \$34.16 per line per month. We addressed the rural to urban basic service rate comparability matter at our Public Meeting on September 7, 2004, and adopted Staff's recommendation to certify that the basic service rates charged by Oregon's non-rural ILECs in their rural service areas are comparable to basic service rates as discussed in Staff's Report, are attached to this Order as Exhibits C and D.

#### CONCLUSIONS

<sup>&</sup>lt;sup>1</sup> Page 1 and page 5 of the attached Staff Report incorrectly refer to "FCC Order No. 03 157." The appropriate reference is "FCC Order No. 01-157."

The rural telecommunications carriers, listed in Exhibit A of the Staff Report, are qualified for designation as telecommunications carriers eligible to receive federal universal service high cost support. The basic service rates charged by non-rural ILECs in their rural service areas are certified to be comparable to urban rates.

## ORDER

### IT IS ORDERED that:

- 1. The rural telecommunications carriers, listed on Exhibit A of the Staff Report, are designated as telecommunications carriers eligible to receive federal universal service support pursuant to FCC Order No. 01-157; and
- 2. We certify that the basic service rates charged by non-rural ILECs in their rural service areas, as summarized in Exhibit C of the Staff Report, are reasonably comparable to urban basic service rates nationwide pursuant to FCC Order No. 03-249.

Made, entered, and effective \_\_\_\_\_\_.

**Lee Beyer** Chairman John Savage Commissioner

Ray Baum Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to ORS 756.580.

# ITEM NO. 2

# PUBLIC UTILITY COMMISSION OF OREGON STAFF REPORT PUBLIC MEETING DATE: September 7, 2004

DECILLAD	V CONCENT	EFFECTIVE DATE	NT/A
KEGULAK _	X CONSENT	_ DATE	<u>N/A</u>
DATE:	August 26, 200	4	
то:	Commissioners	Lee Beyer, Ray Baum	and John Savage
FROM:	John Wright		
THROUGH:	Dave Bo	oth, Phil Nyegaard and	d Lee Sparling
SUBJECT:	873) Annual certifica universal service fund	tion for continued elig d high cost support pur fication of non-rural II	ON STAFF: (Docket No. UM ibility to receive federal suant to FCC Order No. 01- LEC basic service rates

# **STAFF RECOMMENDATION:**

Staff recommends that the Commission:

- 1. Certify that the rural incumbent local exchange carriers (rural ILECs) and the competitive eligible telecommunications carriers (CETCs), listed in Exhibit A to this report, are authorized to receive federal Universal Service Fund (USF) high cost support pursuant to Federal Communications Commission (FCC) Order No. 03-157; and
- 2. Certify that the basic service rates charged by non-rural ILECs in their rural service areas, as summarized in Exhibit C to this report, are reasonably comparable to urban basic service rates nationwide pursuant to FCC Order No. 03-249.

## **DISCUSSION:**

A. Certification of Rural ILECs and CETCs

Section 214(e)(2) of the Telecommunications Act of 1996 (Act) authorizes state public utility commissions to designate telecommunications carriers eligible to receive federal USF high cost support. The Commission first exercised this authority in December 1997 when it designated Oregon's ILECs as eligible telecommunications carriers (ETCs).<sup>2</sup> In June 2004, the Commission designated two wireless carriers operating in the service areas of rural ILECs as CETCs authorized to received federal USF high cost support.<sup>3</sup>

In May 2001, the FCC issued Order No. 01-157 which requires state public utility commissions to annually certify that rural ILECs, and CETCs operating in the service areas of rural ILECs, are using their federal USF support in compliance with Section 254(e) of the Act.<sup>4</sup> Pursuant to Section 254(e), federal USF high cost support shall be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. The Commission must provide this annual certification to the FCC and the Universal Service Administrative Company (USAC) by October 1st of each year.

In Oregon and numerous other states, this annual certification is achieved by requiring the corporate officers of rural ILECs and CETCs to provide a sworn affidavit attesting to their use of federal USF high cost funds. A sample affidavit of the type used for the 2004 certification process is attached as Exhibit B to this report. The Commission used this process to certify the eligibility of Oregon's rural ILECs in 2001, 2002 and 2003.<sup>5</sup> Staff seeks for the Commission to once again certify eligibility for 2004, this time with the inclusion of CETCs in addition to the rural ILECs. It should be noted that commencing in 2005, these CETCs, RCC Minnesota, Inc., and United States Cellular Corporation, will be required to file extensive documentation regarding their federal USF high cost support in addition to an affidavit, as part of the annual re-certification process.<sup>6</sup>

On July 16, 2004, Staff mailed an affidavit to each of the rural ILECs and CETCs listed in Exhibit A. Each responded with a signed and notarized affidavit which will be added to the record in this docket. Based on these affidavits, and because the continued receipt of federal USF high cost support is vital to maintaining reasonable basic service rates in

<sup>&</sup>lt;sup>2</sup> See Order No. 97-481, Docket UM 873.

<sup>&</sup>lt;sup>3</sup> See Order No. 04-355 in Docket UM 1083 and Order No. 04-356 in Docket UM 1084.

<sup>&</sup>lt;sup>4</sup> See Order No. 01-157, paragraph 192 and CFR §54.314.

<sup>&</sup>lt;sup>5</sup> See PUC Orders 01-819, 02-605 and 03-551 in Docket UM 873

<sup>&</sup>lt;sup>6</sup> See Order No. 04-355, pages 16-17, in Docket UM 1083 and Order No. 04-356, pages 16-17, in UM 1084.

the service areas of rural ILECs,<sup>7</sup> Staff recommends the Commission certify the eligibility of the rural ILECs and the CETCs listed in Exhibit A.

# B. Certification of Non-Rural ILEC Rates in Rural Service Areas

In October 2003, the FCC issued Order No. 03-249 which requires state public utility commissions to certify that the basic service rates charged by <u>non-rural</u> ILECs in their <u>rural</u> service areas are reasonably comparable to urban rates nationwide. This determination is made by comparing the basic service rates charged by non-rural ILECs in their rural service areas to a national average benchmark for urban basic service rates as calculated by the FCC. For purposes of this comparison, the FCC has specified a "safe harbor" mechanism which allows non-rural basic service rates to be presumed reasonable if they are less than two standard deviations above the national average urban benchmark.<sup>8</sup> For example, the FCC's most recently calculated national average rate for basic service in urban areas is \$24.75.<sup>9</sup> The rate two standard deviations above this benchmark is \$34.16. States whose non-rural ILECs charge rates below \$34.16 in their rural service areas are presumed to have basic service rates more than \$34.16 in rural areas must explain to the FCC why such rural and urban rate differentials are reasonable.

Failure to provide this annual certification to the FCC and USAC by October 1st of each year will prevent <u>any</u> ETC in Oregon from receiving federal USF support. The FCC adopted this requirement to insure that federal and state universal service funding mechanisms are sufficient to meet the objectives of Section 254(b) of the Act which provides that consumers in rural, insular and high cost areas should have access to telecommunications services at rates that are "reasonably comparable" to rates charged for similar services in urban areas.<sup>10</sup>

Qwest and Verizon are the only two non-rural ILECs in the state of Oregon. As is the case with non-rural ILECs in 40 of the 50 states, neither company receives federal USF high cost fund support despite the fact that they both provide service in high cost rural areas throughout their respective service territories. Hence the existence of the Oregon Universal Service Fund (OUSF), which was designed to achieve the comparability

<sup>&</sup>lt;sup>7</sup> On a per line per month basis, Oregon's rural ILECs received an average of \$47.00 per month from federal USF high cost support programs in 2004. Federal USF high cost support programs are: high cost loop support; local switching support; long-term support; interstate access support; and interstate common line support.

<sup>&</sup>lt;sup>8</sup> See Order No. 03-249, paragraphs 38, 70 and 81.

<sup>&</sup>lt;sup>9</sup> The FCC annually calculates this national average benchmark in a publication entitled, "*Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service*".

<sup>&</sup>lt;sup>10</sup> See Order No. 03-249, paragraph 5.

between rural and urban rates mandated by Section 254(b) of the Act.<sup>11</sup> Because they receive no federal USF high cost fund support, the OUSF currently distributes approximately \$3.7 million per month to subsidize the basic service rates of Qwest and Verizon in their high cost rural service territories.

Exhibit C to this report summarizes the basic service rates charged by Qwest and Verizon in each rural Oregon county where they provide service.<sup>12</sup> Exhibits D and E to this report provide a detail of the individual rate elements summarized in Exhibit C. Pursuant to the methodology used by the FCC to calculate the national urban benchmark of the \$24.75, the basic service rates calculated for Qwest and Verizon for this analysis include the following charges:

- + Charge for basic flat rate service
- + Charge for extended area service
- + Federal Subscriber Line Charge
- + Oregon Residential Service Protection Fund surcharge
- + E911 surcharge
- + City and county franchises fees and/or miscellaneous taxes <sup>13</sup>
- + Oregon PUC fee assessment
- + Oregon Universal Service Fund surcharge
- + Federal Excise Tax
- + <u>Federal Universal Service Fund Surcharge</u> Monthly Rate for Basic Service

As illustrated in Exhibit C, Qwest basic service rates in rural Oregon counties range from \$23.69 to \$26.70 per month. Verizon basic service rates in rural Oregon counties range from \$22.36 to \$27.84. <u>All</u> of these basic service rates are significantly below the safe harbor threshold of \$34.16 set by the FCC and many are below the national average urban benchmark of \$24.75. Therefore, pursuant to FCC Order No. 03-249, they are presumed reasonably comparable to urban basic service rates nationwide and the Commission is not required to provide any additional explanations or analysis to the FCC or USAC.

<sup>&</sup>lt;sup>11</sup> The FCC's regulations concerning whether an ILEC is considered to be "rural" or "non-rural" are somewhat arcane. Basically, an ILEC is considered to be a rural company if it serves less than 100,000 access lines in a single study area. By default, Qwest and Verizon are the only non-rural ILECs in Oregon.

<sup>&</sup>lt;sup>12</sup> The FCC requires state commissions to follow guidelines issued by the federal Office of Management and Budget (OMB) which publishes, and routinely updates, a list of metropolitan statistical areas in the United States. Pursuant to the OMB's methodology, any county which does not include a metropolitan statistical area is considered to be rural. Under this definition, only 10 of Oregon's 36 counties are considered to be non-rural.

<sup>&</sup>lt;sup>13</sup> In order to avoid unnecessarily complex cost allocations, franchise fees and/or miscellaneous taxes charged municipalities in rural counties are assumed to apply <u>throughout the entire county</u>. That is, they are assumed to be charged to basic service customers even in areas outside municipal boundaries.

# **PROPOSED COMMISSION MOTION:**

An order be prepared in Docket UM 873, certifying that:

- 1. The rural ILECs and CETCs listed in Exhibit A are authorized to receive federal universal service high cost support pursuant to FCC Order No. 03-157; and
- 2. The basic service rates charged by Oregon's non-rural ILECs in their rural service areas are reasonably comparable to urban basic service rates nationwide pursuant to FCC Order No. 03-249.

UM 873 - 2004 Federal USF Certification.doc

Exhibit A
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<b>Eligible Telecommunications Carriers (Oregon Rural ILECs and CETCs)</b>
Certified to Receive Federal Universal Service Fund High Cost Support

	Company	USAC Study Area Code
1	Asotin Telephone Company	532404
2	Beaver Creek Cooperative Telephone Co.	532359
3	Canby Telephone Association	532362
4	Cascade Utilities, Inc.	532371
5	CenturyTel of Oregon, Inc.	532361
6	CenturyTel of Eastern Oregon, Inc.	532361
7	Citizens Telephone Co. of Oregon, Inc.	533401
8	Clear Creek Mutual Telephone Company	532363
9	Colton Telephone Company	532364
10	Eagle Telephone System, Inc.	532369
11	Gervais Telephone Co.	532373
12	Helix Telephone Company	532376
13	Home Telephone Company	532377
14	Malheur Home Telephone Company	532456
15	Midvale Telephone Exchange Inc.	532226
16	Molalla Communications Company	532383
17	Monitor Cooperative Telephone Company	532384
18	Monroe Telephone Company	532385
19	Mt. Angel Telephone Company	532386
20	Nehalem Telecommunications, Inc.	532387
21	North-State Telephone Company	532388
22	Oregon-Idaho Utilities, Inc.	532390
23	Oregon Telephone Corporation	532389
24	People's Telephone Company	532391
25	Pine Telephone System, Inc.	532392
26	Pioneer Telephone Cooperative	532393
27	Roome Telecommunications, Inc.	532375
28	Scio Mutual Telephone Association	532397
29	Stayton Cooperative Telephone Company	532399
30	United Telephone Co. of the Northwest	532400
31	St. Paul Cooperative Telephone Association	532396
32	Trans-Cascades Telephone Company	532378
33	RCC Minnesota Inc.	539001
34	United States Cellular Corporation	539002

## Exhibit B AFFIDAVIT CERTIFYING USE OF UNIVERSAL SERVICE FUNDS

I, \_\_\_\_\_\_\_\_, being of lawful age and duly sworn, on my oath, state that I am the \_\_\_\_\_\_\_\_ [an officer] of \_\_\_\_\_\_\_\_ ("Company") and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. Pursuant to the rules of the Federal Communications Commission, 47 C.F.R. §54.314, there must be an annual certification that funds received under the federal Universal Service Fund programs will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. The Company hereby certifies to the Public Utility Commission of Oregon that pursuant to 47 C.F.R. § 54.7, and for purposes of the certification required under 47 C.F.R. § 54.314, the Company will use all federal high-cost support provided to it only for the provision, maintenance and upgrading of facilities and services for which the provision of facilities and services for which the support is intended. The Company hereby certification required under 47 C.F.R. § 54.314, the Company will use all federal high-cost support provided to it only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with the principles of universal service set forth in 47 U.S.C. 254. This includes, but is not limited to, trying to meet the goal of the provision of services that are properly supported by the high-cost funds at rates that are reasonably comparable to rates charged for similar services in urban areas.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_ (Company)

By: \_\_\_\_\_ (Name)

Its: \_\_\_\_\_ (Title)

SUBSCRIBED AND SWORN to before me this \_\_\_\_day of \_\_\_\_\_, 2004.

Notary Public in and for the State of Oregon

My Commission Expires: \_\_\_\_\_

Docket UM 873 August 26, 2004 Page 11

**Exhibit C** Summary of Non-Rural ILEC Basic Service Rates in Rural Oregon Counties

Qwest Exchange	Rural Monthly County Rate		Verizon Exchange	Rural County	Monthly Rate	
0	v					
Baker City	Baker	\$ 24.07	Bandon	Coos	\$ 27.84	
Sumpter	Baker	\$ 24.07	Coos Bay-N. Bend	Coos	\$ 24.76	
Astoria	Clatstop	\$ 24.07	Coquille	Coos	\$ 27.84	
Cannon Beach	Clatstop	\$ 25.20	Lakeside	Coos	\$ 27.84	
Seaside	Clatstop	\$ 24.07	Myrtle Point	Coos	\$ 27.84	
Warrenton	Clatstop	\$ 24.07	Powers	Coos	\$ 27.84	
Westport	Clatstop	\$ 26.32	Brookings	Curry	\$ 22.36	
Prineville	Crook	\$ 26.02	Gold Beach	Curry	\$ 22.36	
Oakland-Sutherlin	Douglas	\$ 25.20	Langlois	Curry	\$ 23.66	
Roseburg	Douglas	\$ 25.20	Port Orford	Curry	\$ 23.66	
Camp Sherman	Jefferson	\$ 26.70	Reedsport	Douglas	\$ 23.28	
Culver	Jefferson	\$ 25.60	Murphy-Provolt	Josephine	\$ 27.47	
Madras	Jefferson	\$ 25.60	Mill City	Linn	\$ 27.71	
Grants Pass	Josephine	\$ 24.07	Cove	Union	\$ 24.76	
Klamath Falls	Klamath	\$ 24.07	Elgin	Union	\$ 24.76	
Newport	Lincoln	\$ 23.69	Imbler	Union	\$ 24.76	
Siletz	Lincoln	\$ 25.88	La Grande	Union	\$ 23.72	
Toledo	Lincoln	\$ 24.78	Union	Union	\$ 24.76	
Albany	Linn	\$ 24.89	Enterprise	Wallowa	\$ 23.66	
Harrisburg	Linn	\$ 26.02	Joseph	Wallowa	\$ 23.66	
Athena-Weston	Umatilla	\$ 26.32	Lostine	Wallowa	\$ 23.66	
Hermiston	Umatilla	\$ 24.07	Wallowa	Wallowa	\$ 23.66	
Milton Freewater	Umatilla	\$ 25.20				
Pendleton	Umatilla	\$ 24.07				
Stanfield	Umatilla	\$ 25.20				
Umatilla	Umatilla	\$ 25.20				
Walla Walla	Umatilla	\$ 25.20				

#### Franchise Fed Fed EAS OR PUC Owest EAS Fed Fed OR Fees & **OUSF** Excise Tax USF @ Rural Rate Base Exchange County Grp. Band Rate Chrg. SLC LNP RSPF E911 M. Taxes Fee @ 6.5% @ 3.0% 9.0% Total Baker City Baker 1 А 12.80 1.28 6.50 0.00 0.13 0.75 0.38 0.11 0.92 0.62 0.59 24.07 Baker Α 12.80 1.28 6.50 0.00 0.13 0.75 0.38 0.11 0.92 0.62 0.59 24.07 Sumpter 1 0.75 Astoria Clatstop 1 А 12.80 1.28 6.50 0.00 0.13 0.38 0.11 0.92 0.62 0.59 24.07 Cannon Beach 2 Α 13.80 1.28 6.50 0.00 0.13 0.75 0.41 0.11 0.98 0.65 0.59 25.20 Clatstop Seaside 0.75 Clatstop 1 А 12.80 1.28 6.50 0.00 0.13 0.38 0.11 0.92 0.62 0.59 24.07 Warrenton Clatstop 1 Α 12.80 1.28 6.50 0.00 0.13 0.75 0.38 0.11 0.92 0.62 0.59 24.07 0.75 0.44 0.59 26.32 Westport Clatstop 3 А 14.80 1.28 6.50 0.00 0.13 0.11 1.05 0.68 2 В 13.80 2.03 6.50 0.13 0.75 0.41 0.11 1.03 0.67 0.59 26.02 Prineville Crook 0.00 2 0.75 25.20 Oakland-Sutherlin Douglas А 13.80 1.28 6.50 0.00 0.13 0.41 0.11 0.98 0.65 0.59 Roseburg 2 Α 13.80 1.28 6.50 0.00 0.13 0.75 0.41 0.11 0.98 0.65 0.59 25.20 Douglas Camp Sherman Jefferson 3 В 14.80 2.03 6.50 0.00 0.13 0.75 0.00 0.11 1.09 0.70 0.59 26.70 Culver Jefferson 2 В 13.80 2.03 6.50 0.00 0.13 0.75 0.00 0.11 1.03 0.67 0.59 25.60 В 0.75 25.60 Madras Jefferson 2 13.80 2.03 6.50 0.00 0.13 0.00 0.11 1.03 0.67 0.59 Grants Pass Josephine 12.80 6.50 0.00 0.13 0.75 0.38 0.92 0.59 Α 1.28 0.11 0.62 24.07 1 Klamath Falls 0.75 0.38 0.92 0.62 0.59 24.07 Klamath 1 Α 12.80 1.28 6.50 0.00 0.13 0.11 Newport Lincoln А 12.80 1.28 6.50 0.00 0.13 0.75 0.00 0.11 0.92 0.62 0.59 23.69 1 Siletz Lincoln 3 14.80 1.28 6.50 0.00 0.13 0.75 0.00 0.11 1.05 0.68 0.59 25.88 Α Toledo 2 6.50 0.00 0.75 Lincoln А 13.80 1.28 0.13 0.00 0.11 0.98 0.65 0.59 24.78 Albany Linn В 12.80 2.03 6.50 0.00 0.13 0.75 0.38 0.11 0.96 0.64 0.59 24.89 1 В 0.00 0.75 0.41 Harrisburg Linn 2 13.80 2.03 6.50 0.13 0.11 1.03 0.67 0.59 26.02 Athena-Weston Umatilla 3 Α 14.80 1.28 6.50 0.00 0.13 0.75 0.44 0.11 1.05 0.68 0.59 26.32 Hermiston Umatilla 24.07 1 А 12.80 1.28 6.50 0.00 0.13 0.75 0.38 0.11 0.92 0.62 0.59 Milton Freewater Umatilla 2 Α 13.80 1.28 6.50 0.00 0.13 0.75 0.41 0.11 0.98 0.65 0.59 25.20 Pendleton 0.75 24.07 Umatilla А 12.80 1.28 6.50 0.00 0.13 0.38 0.11 0.92 0.62 0.59 1 Stanfield Umatilla 2 1.28 6.50 0.13 0.75 0.41 0.11 0.59 25.20 А 13.80 0.00 0.98 0.65 Umatilla Umatilla 2 А 13.80 1.28 6.50 0.00 0.13 0.75 0.41 0.11 0.98 0.65 0.59 25.20 Walla Walla Umatilla 2 Α 13.80 1.28 6.50 0.00 0.13 0.75 0.41 0.11 0.98 0.65 0.59 25.20

# **Exhibit D** Detail of Qwest Basic Service Rates in Rural Oregon Counties

Docket UM 873 August 26, 2004 Page 13

# **Exhibit E Detail of Verizon Rates in Rural Oregon Counties**

Verizon Exchange	Rural County	EAS Band	Base Rate	EAS Chrg.	Fed SLC	Fed LNP	OR RSPF	OR E911	Franchise Fees & M. Taxes	PUC Fee	OUSF @ 6.5%	Fed Excise Tax @ 3.0%	Fed USF @ 9.0%	Total
Dandan	Casa	III	12.50	5.00	6.50	0.00	0.12	0.75	0.29	0.04	1 1 4	0.72	0.50	27.94
Bandon	Coos	111	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Coos Bay-N.														
Bend	Coos	Π	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Coquille	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Lakeside	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Myrtle Point	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Powers	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Brookings	Curry		12.59	0.00	6.50	0.00	0.13	0.75	0.38	0.03	0.82	0.57	0.59	22.36
Gold Beach	Curry		12.59	0.00	6.50	0.00	0.13	0.75	0.38	0.03	0.82	0.57	0.59	22.36
Langlois	Curry	Ι	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.82	0.57	0.59	23.66
Port	Curry	1	12.39	1.19	0.50	0.00	0.15	0.75	0.38	0.03	0.90	0.01	0.39	23.00
Orford	Curry	Ι	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Reedsport	Douglas	Ι	12.59	1.19	6.50	0.00	0.13	0.75	0.00	0.03	0.90	0.61	0.59	23.28
Murphy-			10 50	<b>7</b> 00	<b></b>	0.00	0.10		0.00	0.04		0.50	0.50	05.45
Provolt	Josephine	III	12.59	5.00	6.50	0.00	0.13	0.75	0.00	0.04	1.14	0.72	0.59	27.47
Mill City	Linn	IV	12.59	5.22	6.50	0.00	0.13	0.75	0.00	0.04	1.16	0.73	0.59	27.71
Cove	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Elgin	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Imbler	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
La Grande	Union	I <sub>b</sub>	12.59	1.24	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.72
Union	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.03	0.96	0.64	0.59	24.76
Enterprise	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Joseph	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Lostine	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Wallowa	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66