

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: December 28, 2016

TO: File through Bryan Conway and Bruce Hellebuyck

FROM: Stephen Hayes

SUBJECT: Qwest Corporation: (Docket No. ADV 441/Advice No. 2133) Makes compliance filing pursuant to FCC Order 16-38, Adopted April 27, 2016 and OPUC Order No. 16-448, OTAP Rulemaking, 11/23/2016.

BACKGROUND

I have reviewed this filing and recommend that an acknowledgement letter be sent.

The filing was submitted on November 28, 2016, proposing a December 2, 2016, effective date.

Qwest is regulated under a price plan pursuant to ORS 759.255 and Order No. 14-346, issued October 3, 2014. Section C of Qwest's price plan states that Qwest "will continue to offer current Telephone Assistance Plans (OTAP, Tribal Lifeline, and Tribal Link-Up) pursuant to state and federal requirements."

The CenturyTel and United tariffs, affiliates with Qwest, do not require changes because previously the Commission approved adoption by reference of those Lifeline related tariff sections to Qwest's tariff. The company proposed and staff recommended adoption by reference for this unique Lifeline nexus between State and FCC requirements to provide administrative relief. This is the first instance where administrative relief from this arrangement has been realized.

DESCRIPTION OF PROPOSED TARIFF CHANGE

Qwest Corporation (Qwest) proposes to revise the Lifeline tariff by changes compliant with the Public Utility Commission of Oregon Order 16-448, in the Matter of Revisions to Rules in Division 033 to Implement FCC's Lifeline Modernization, entered on November 23, 2016.

The changes were required in the FCC's April 27, 2016 Report and Order, Further Report and Order and Order on Reconsideration in relevant WC Docket No. 11-42, (FCC Order No. 16-38). According to the FCC Public Notice (DA 16-1133, Released October 3, 2016), the relevant rules will become effective on December 2, 2016. Those rules are found in the Code of Federal Regulations (CFRs) Title 47 Section 54.101 – USF supported services and in 47 CFR 54.400(f), (j), (m)-(o) – Definitions of "income," "qualifying assistance program," "voice telephony service," "supported services," and "National Lifeline Eligibility Verifier".

The changes affect the way State program eligibility is determined. A previous filing implemented the requirements in Federal lifeline. Specifically, the program participation list for default eligibility is changed. The recognized programs for Lifeline default eligibility are now

defined in 47 CFR 54.409(a)(2) Consumer qualification for Lifeline and in OAR 860-033-0030(2)(a).

(2) The consumer, one or more of the consumer's dependents, or the consumer's household must receive benefits from one of the following federal assistance programs: Medicaid; Supplemental Nutrition Assistance Program; Supplemental Security Income; Federal Public Housing Assistance; or Veterans and Survivors Pension Benefit.

Finally, a customer may also qualify if they have income at or below 135% of the federal poverty level. The percentage is unchanged but the FCC changed the definition of gross income to align with the Internal Revenue Service definition.

The Oregon Telecommunications Assistance Program (OTAP) conducted a temporary rulemaking culminating with Commission Order No. 16-448. The OTAP rulemaking essentially implemented the FCC Lifeline rules where applicable. The OTAP also received a waiver of the effective date for implementing port freeze rules from the FCC in FCC Order No. DA 16-1324 released December 1, 2016. This filing complies with the temporary OTAP rules. A permanent rulemaking will be conducted in 2017 that will provide another opportunity for utility tariff compliance filings and additional housekeeping changes where necessary. Additional time for public comment

also be facilitated with the permanent rule making. Since the OTAP requirements are contained in Commission rules Qwest's Tariff specifies only those elements that are necessary for customers and normally contained in Tariffs such as support rates.

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This filing does not affect rates under Oregon's jurisdiction. However, under the new FCC rules standalone voice services that are not bundled with a broadband internet access service will experience a gradual waterfall in support. So support rates in this tariff could drop in the future. This waterfall timing is shown in 47 CFR 54.403. The first support reduction could occur in December, 2019. While the support could waterfall a Carrier has an obligation to continue offering lifeline, (47CFR 54.405) The FCC process allowed for public comment on its regulations.

None of the changes proposed are other than to comply with the FCC and OTAP rules as required in Qwest's Price Plan.

For the reasons explained above this tariff change filing is viewed as a compliance filing and did not go to a public meeting.