

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 22, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE December 2, 2016

DATE: November 9, 2016

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: UNITED TELEPHONE COMPANY OF THE NORTHWEST:  
(Docket No. ADV 411/Advice No. 16-06) Establishes lifeline assistance programs tariff filing pursuant to FCC Orders and establishes concurrence in Qwest Corporation's d/b/a CenturyLink QC Tariff.

**STAFF RECOMMENDATION:**

Staff recommends the filing be allowed to go into effect.

**DISCUSSION:**

Issue

Whether the tariff sheets proposed by United in its Advice Letter comply with the FCC mandate and, if so, should be approved by the Commission.

Applicable Law

United is regulated under the Price Plan approved by the Commission on October 7th, 2014, in Order No. 14-347 in Docket No. UM 1686. Exhibit A, Section P of that order requires tariff filings at least 30 days prior to the effective date for price changes or other changes to terms and conditions for services.

The Price Plan also requires the Company to continue to offer current Telephone Assistance Plans pursuant to state and federal requirements (Order No. 14-347, Exhibit A, Section C).

Further, *FCC Order No. 15-71*, adopted June 18, 2015, and released June 22, 2015, (FCC Order) sets forth rule changes so that as of August 15, 2016, "incumbent local exchange carriers" (ILECs) no longer receive reimbursement for any wholesale Lifeline

services provided to carriers who resell such services (resellers). The FCC Order further provides that an ILEC is no longer required to offer its Lifeline services to resellers.

United's filing also includes Lifeline service revisions which are intended to comply with the *Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38, In the Matter of Lifeline and Link Up Reform and Modernization (WC Docket No. 11-42), Telecommunications Carriers Eligible for Universal Service Support (WC Docket No. 09-197) and Connect America Fund (WC Docket No. 10-90)* adopted on March 31, 2016, and released April 27, 2016.

### Analysis

#### *Background*

On November 1, 2016, United Telephone Company of the Northwest d/b/a CenturyLink (United or Company) filed Advice Letter No. 16-06. The filing proposes to adopt by reference a Qwest Tariff which implements a number of Federal Lifeline Program changes required by the Federal Communications Commission (FCC) to be implemented by December 2, 2016.

Preliminarily, Staff notes that United's filing meets the 30-day prior notice requirement.

United's proposed tariff filing adopts by reference essentially all of the rates, terms, and conditions proposed by Qwest Corporation d/b/a CenturyLink QC (Qwest or Company) in its proposed Advice Letter No. 2132.<sup>1</sup> Staff discusses the Qwest filing at this public meeting as Consent Agenda item No. 3 (CA3). Qwest's Advice Filing provides all of the rates, terms, and conditions relative to United's Lifeline Programs. Staff is recommending the Commission approve Qwest's Advice Filing No. 2132 and its associated proposed tariff. However, since United's tariff is entirely dependent on the rates, terms, and conditions in Qwest's proposed tariff, should the Commission not allow Qwest's filing to go into effect, then the Commission should reach the same conclusion for United's tariff proposal.

As to one tariff adopting the terms, rates, and conditions of another tariff by reference, Staff generally discourages such a practice. This is because Staff believes that tariffs should be stand-alone and contain everything necessary to understand their rates, terms, and conditions. However, Staff recommends the Commission allow "adoptions by reference" for Lifeline-related tariffs for the following reasons. First, allowing tariff adoptions by reference may decrease the Company's and Commission's administrative

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<sup>1</sup> Staff notes that the only part of the Qwest filing that is not adopted by reference by the United filing concerns a footnote in the tribal section that identifies exchange pricing.

burden because of a potential for future periodic adjustments. Second, the adopted tariff rates, terms, and conditions refer entirely to Qwest's tariff. As such, once the reader accesses the referenced Qwest tariff, they do not have to go back and forth between the United and Qwest tariffs – they can simply rely upon the Qwest tariff for the United rates, terms, and conditions. Finally, Staff notes that there is precedent for this approach in that there are instances of existing adoptions by reference between the CenturyTel and Qwest Price lists.

Staff discusses more completely the merits of the Qwest proposed tariff changes in its public meeting memo which is on today's agenda as CA3.

#### Conclusion

Staff concludes that United's proposed tariff, which adopts by reference Qwest's new Lifeline Programs tariff section, is acceptable, the proposed tariff filing is required by the FCC, it clarifies jurisdictional separation between state and federal programs and makes appropriate administrative changes. Finally, as Staff discusses in its CA3 public meeting memorandum, changes to United's OTAP section may be required upon completion of Docket No. AR 607.

#### **PROPOSED COMMISSION MOTION:**

Allow the tariff sheets filed with United Telephone Company of the Northwest's Advice No. 16-06 to go into effect on December 2, 2016.