


ITEM NO. CA3

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, Bruce Hellebuyck 

SUBJECT: QWEST CORPORATION:

(Docket No. ADV 413/Advice No. 2132) Establishes lifeline assistance programs tariff filing pursuant to FCC Orders.

STAFF RECOMMENDATION:

Staff recommends the tariff filing be allowed to go into effect.

DISCUSSION:

Issue

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

Applicable Law

Qwest is regulated under the Price Plan approved by the Commission on October 3, 2014, in Order No. 14-346 (Docket No. UM 1354). 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. See Order No. 14-346, 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.

Qwest's filing also includes Lifeline service revisions which are intended to be compliant with the FCC's *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, Qwest Corporation d/b/a CenturyLink QC (Qwest or Company) filed its Advice Letter No. 2132. The filing proposes to: 1) adjust the tariff structure; and 2) implement 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 Qwest's filing meets the 30-day prior notice requirement.¹

Qwest proposes to adjust its current tariff structure by: 1) establishing a new sub-section, Lifeline Assistance Programs; and 2) separating the Federal Lifeline Program, the Oregon Telephone Assistance Program (OTAP), and the Tribal Lands Lifeline Program into their own sections under the new Lifeline Assistance Programs sub-section. Qwest states that the reason for the restructuring is to standardize language across all CenturyLink ILEC tariffs in all the States where CenturyLink provides service.

Qwest's tariff filing also proposes a number of Federal Lifeline Program changes which are detailed in Qwest's Advice Letter. An initial Staff concern involved the FCC's addition of "Broadband Internet Access Service" (BIAS) as a qualified service under the federal program and the Company's mention of this service in its proposed tariff filing. While the Commission does not generally have authority to regulate broadband services, Staff counsel advised that including broadband service in Qwest's tariff is nonetheless consistent with the provisions of ORS 759.175(2). Specifically, this statute

¹ Staff notes that the Company's tariff filing discussed in this memorandum is linked to two other tariff filings which are analyzed as Consent Agenda items CA1 (United) and CA2 (CenturyTel) on the agenda at today's public meeting. These two other filings propose to adopt by reference all rates, terms, and conditions in the Qwest tariff except for the footnote in the tribal section that identifies exchange pricing. As discussed in the CA1 and CA2 Staff public meeting memos, if the Qwest tariff attached with Advice Filing No. 2132 is not allowed to go into effect, then the Company's other two tariff proposals should also not be allowed to go into effect as both of the two other filings are entirely dependent on the rates, terms, and conditions in Qwest's proposed tariff.

requires each telecommunications utility to file all rules and regulations that in any manner affect the rates charged or to be charged for any Commission-regulated service. The Federal Lifeline Program requires Qwest to offer BIAS to program participants. The segregation of the Federal Lifeline Program rates, terms, and conditions proposed by this filing help to clarify and inform the Company's customers about the federal program and how it relates to the OTAP. Therefore, Staff's concerns about specifically including broadband are resolved.

Another notable change is that as of August 15, 2016, ILECs are no longer required to provide Lifeline services to carriers for resale. The FCC removed this requirement in its Order No. 15-71. Even though Qwest appropriately notified its wholesale customers about this change using standard notice procedures, Qwest proposes to include an additional notice indicating this change in the Lifeline Assistance Program sub-section of its tariff. While Staff does not object to this approach, Staff points out that including this notice in its intrastate tariff does not relieve the Company of the need to make changes to its affected Interconnection Agreements (ICAs) and standard ICA attachments, as appropriate.

Staff further observes that the Commission recently opened Docket No. AR 607 for the purpose of adopting temporary rules revising the Residential Service Protection Fund rules that affect Lifeline and OTAP in Oregon. Ideally, Qwest's filing would have incorporated any changes that might be required by the AR 607 rules. However, the Company was required to file its proposed tariff changes prior to adoption of the temporary rules in AR 607. In the event that tariff changes are required to this filing after the AR 607 rules become effective, the Company can propose necessary tariff changes at that time.

Finally, Qwest's tariff filing proposes a number of housekeeping changes to remove terms and conditions that are either no longer applicable or are duplicated in other parts of the tariff. Staff concurs with the changes in order to eliminate unnecessary duplication of terms and conditions in different sections of the tariff. The Company's Advice Letter details these changes and adjustments. These changes are primarily due to the separation of the OTAP and federal Programs' rates, terms, and conditions in order to create separate sections for each.

Conclusion

Staff concludes that Qwest's proposed tariff filing is required by the FCC, clarifies jurisdictional separation between state and federal programs, and makes appropriate administrative changes. Staff notes again that additional changes to the OTAP section of the tariff may be required upon completion of Docket No. AR 607.

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PROPOSED COMMISSION MOTION:

Allow the tariff sheets filed with Qwest Corporation's d/b/a CenturyLink QC Advice No. 2132 to go into effect on December 2, 2016.

Qwest.2132.2016.Lifeline.Concurrence