

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 27, 2017**

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2017

DATE: June 12, 2017

TO: Public Utility Commission

FROM: Nicola Peterson *NAP*

THROUGH: Jason Eisdorfer, Bryan Conway, and Roger White *JW*

SUBJECT: QWEST CORPORATION: (Docket No. ADV 572/Advice No. 2138)
Revises tariff language and intrastate access tariff rates as required by
FCC Order No. 11-161 and subsequent orders.

CENTURYTEL OF OREGON INC: (Docket No. ADV 573/Advice
No. OR17-05A) Revises tariff language and intrastate access tariff rates
as required by FCC Order No. 11-161 and subsequent orders.

UNITED TELEPHONE COMPANY OF THE NORTHWEST INC: (Docket
No. ADV 574/Advice No. OR17-06A) Revises tariff language and
intrastate access tariff rates as required by FCC Order No. 11-161 and
subsequent orders.

STAFF RECOMMENDATION:

Staff recommends that the Commission allow the May 31, 2017, filings by Qwest Corporation dba CenturyLink QC (Qwest) (Docket No. ADV 572/Advice No. 2138), CenturyTel of Oregon, Inc. (CenturyTel) (Docket No. ADV 573/Advice No. OR17-05A), and United Telephone Company of the Northwest (United) (Docket No. ADV 574/Advice No. OR17-06A), which revises their intrastate tariff language and access rates, effective July 1, 2017, to go into effect.

Issue

FCC Order No. 11-161 adopted an intercarrier compensation (ICC) reform timeline requiring carriers to adjust over time many of their legacy ICC rates, effective July 1 of

each year, with the ultimate goal of transitioning to a bill-and-keep¹ regime. The transition period for Price cap carriers began on July 1, 2012, and is complete on July 1, 2018.

Applicable Rule or Law

Per ORS 759.190: No change shall be made in any schedule, including schedules of joint rates, except upon 30 days' notice to the Public Utility Commission. Qwest Corporation, CenturyTel of Oregon Inc., and United Telephone Company of the Northwest have annually submitted filings that revise their interstate access tariffs' language and rates as required by the above FCC Order.

Analysis

On May 31, 2017, CenturyLink filed advices for its companies' access tariffs² to be effective July 1, 2017.

The intrastate access tariffs to be revised are the following:

Qwest Corporation: (Docket No. ADV 572/Advice No. 2138) Tariff P.U.C. Oregon No. 32;

CenturyTel of Oregon Inc.: (Docket No. ADV 573/Advice No. OR17-05A) Tariff Oregon P.U.C. AC4; and

United Telephone Company of the Northwest: (Docket No. ADV 574/Advice No. OR17-06A) Tariff PUC OR. No. 6.

This filing is the sixth step in implementing the FCC's program, and requires that terminating intrastate switched end-office rates be set to bill-and-keep and that tandem

¹ Bill-and keep is a pricing arrangement for the interconnection (direct or indirect) of two telecommunications networks under which the reciprocal call termination charge is zero. That is, each network agrees to terminate calls from the other network at no charge.

² Access charges are imposed by a local exchange carrier (LEC) on calls to or from an interexchange carrier (IXC) to compensate the local carrier for the use of its facilities. Access charges recover a portion of the cost of the local loop (from the end user to the Central Office), a portion of the cost of the switching equipment in the Central Office, and the company's portion of the facilities used to transport the call from the end-user's central office to the central office located in the state where the call is terminated. These costs are assigned to the intrastate jurisdiction as defined in Federal Communications Commission (FCC) Separation Rules (47 CFR Part 36) and adopted by the PUC.

Docket No. ADV 572/Advice No. 2138, Docket No. ADV 573/Advice No. OR17-05A, and
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switched transport access rates be no greater than \$0.0007 per minute. Staff has reviewed the revised tariff sheets and supporting data.

Conclusion

The submissions conform to the methodology specified by the FCC. As required by the FCC, intrastate rates will more closely resemble a company's interstate rates.

PROPOSED COMMISSION MOTION:

Allow Qwest's Docket No. ADV 572/Advice No. 2138, CenturyTel's Docket No. ADV 573/Advice No. OR17-05A, and United's Docket No. ADV 574/Advice No. OR17-06A, revising intrastate access tariff language and rates, to go into effect July 1, 2017.

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