



Oregon

Kate Brown, Governor

Public Utility Commission

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November 23, 2020



Docket No. UM 2040 - In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Investigation of the Oregon Universal Fund.

DATE: November 30, 2020

TIME: 9:30 AM-12:30 PM (or until finished)

LOCATION: Zoom meeting: See below

Staff of the Public Utility Commission of Oregon is convening a third workshop to further discuss the questions for stakeholders issued on September 18, 2020. Staff encourages all affected by the OUSF program to participate.

Who Might be Interested in Attending?

- Contributors to the Oregon Universal Service Fund (OUSF)
- Interconnected VoIP providers that serve Oregon and their customers
- Wireless providers and their customers
- Broadband and Cable providers and customers
- Associations that represent contributors to the Oregon Universal Service Fund and/or Interconnected VoIP, Wireless, Broadband, Cable providers that serve Oregon
- Public interest advocates and coalitions
- Interested members of the public

Planned Agenda

- Introductions
- Staff – UM2040 updated timeline
- Staff – Summary of Nov 16, 2020 workshop
- Staff – Staffs Initial position
- Roundtable discussion of Staffs position & further comments requested
- Staff – Next steps

Proposed Updated Timeline

Phase	Date	Event
Phase I - Distributions	9/18/2020	Staff shares list of questions to be discussed at next workshop, requesting written comment
	10/26/2020	Stakeholder Comments on Staff Questions Requested
	11/2/2020	1 st Workshop to discuss Questions/Comments
	11/16/2020	2 nd Workshop to discuss Questions/Comments, additional issues
	11/30/20	3 rd Workshop to discuss Questions/Comments, additional issues
	1/11/21	Competition Workshop
	1/18/21	Strawman proposal on recommendations
	2/15/21	Stakeholder Comments
	3/1/21	Workshop to discuss staff proposal
	TBD	Public meeting Staff presentation on recommendations
	TBD	Further Steps if needed
Phase II – Operating/Accounting	3/9/21	
	TBD	Workshop to solicit comments on issues.

Participation Options

Zoom meeting details:

Join Zoom Meeting

<https://opuc-state-or-us.zoom.us/j/89698452991?pwd=N21SckxJbUFYOFNhQ1VIUFJzc1pYdz09>

Meeting ID: 896 9845 2991

Passcode: M5Kq.=?zV6

One tap mobile

+19712471195,,89698452991#,,,,,0#,,7598313522# US (Portland)

Meeting ID: 896 9845 2991

Passcode: 7598313522

Staffs Strawman Proposal/Initial Position

Staff wishes to thank all stakeholders for their participation in the recent workshops. The ultimate goal of these workshops has been to identify a means of calculating disbursements from the OUSF with a view to initiating a rulemaking docket to incorporate these policies into the Oregon Administrative Rules.

Below is Staffs Initial position. Currently a more detailed proposal was set to be sent out by December 14th, however Staff does not believe they will have enough information by this date to have a detailed proposal and therefore the timetable has been adjusted accordingly.

The workshops focused on the three elements of the calculation: cost, federal support and a benchmark, as well as identifying an appropriate model for the calculation of cost and a methodology for any required allocations.

Cost Model:

Staff has been in contact with CostQuest with regards to their model. The CostQuest model is apparently able to allocate costs between services, develop benchmarks and revenue requirements. Staff would like to gather further information from CostQuest prior to making a final decision.

Cost of Service/Federal Support/Benchmark:

Staff would like to consider allocating all elements of the support calculation to voice services, however this would depend on an allocation method and Staff has concerns as to the basis of any allocation theory. Staff would like to be able to consider both "Voice service" and "All service" usage of the local loop in order to consider the implications to support levels. Scenario capabilities is one question Staff has for CostQuest.

Further Comments:

Below is a Summary of the November 16th workshop with additional questions that Staff would like to discuss at the third workshop on November 30th.

Summary of November, 16 2020 Workshop with Additional Requests for Further Comment from Stakeholders

<p>1.</p>	<p>How should the Commission determine the cost of providing this service? Staff seeks comment on the use of a general methodology, other methodologies and what information/reporting should be required.</p>
	<p><u>Models</u> Discussed: Possibility of having two different cost methodologies for Price cap and RLECs Use of ACAM at the federal level and not at the State level. Licenses to use CAM/ACAM</p> <p>OTA has a preference to use Form I for all small companies (less than 50% of RLEC’s are using ACAM (ACAM 2 included). Form I would require updating the jurisdictional separation calculations as not completed in Oregon since 2013/2014 Updating is apparently possible. This would be a consistent based model based on all companies and would not be company specific.</p> <p><u>Allocation</u> Discussed Statutory implications of “Encourage Broadband”. Capacity based allocation.</p> <p><u>Staff questions:</u> Can you please provide additional information on the “non-company specific model” indicated above? How do the parties foresee the use of having two models for calculating support, impacting individual company support amounts in the situation where there is less money coming into the fund than is required to support the service, and there is a need to allocate? Apart from Bandwidth/Capacity, are there any other ways to allocate a network between services? How are we to calculate support for CLEC’s?</p>
<p>2.</p>	<p>What federal support amounts should be deducted?</p>
	<p>Discussed Statutory language All support vs. Voice only support Specific federal support funds. (HCL, CAF BLS, ACAM, CAF ICC, CAFII) Support to be deducted will follow the cost methodology used</p>

	<p>Support deducted dependent on which cost models used.</p> <p><u>Staff questions:</u> Further comments are requested on each of the Federal Universal Service funds.</p>
3.	How should the benchmark be defined and calculated?
	<p>Discussed Cross subsidization Revenue or cost benchmark Affordable rate concept Two Standard deviations element in a benchmark calculation ARC rate benchmark</p> <p><u>Staff questions:</u> Further information is requested on an ARC rate benchmark. Is there a difference in a benchmark used to identify high cost areas and a benchmark used in the support calculations?</p>
4.	Other
	<p>Competition Fundamental legal issue FCC data</p> <p>BTS definition Services currently excluded</p> <p>Proprietary data and protective orders</p>

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