

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1255

In the Matter of)	
)	
WANTEL, INC., d/b/a COMSPANUSA)	ORDER
)	
Application for Designation as an Eligible)	
Telecommunications Carrier.)	

DISPOSITION: APPLICATION APPROVED

On March 8, 2006, Wantel, Inc., d/b/a ComspanUSA (Wantel) filed an application with the Public Utility Commission of Oregon (Commission) requesting designation as a federal eligible telecommunications carrier (ETC) in the Bandon wire center. After discussion with Staff, Wantel revised parts of the initial application and submitted an amended application on June 30, 2006.

Wantel seeks ETC designation primarily to enable it to apply for support from the Oregon Universal Service Fund (OUSF). Federal ETC status is a prerequisite to state ETC status and eligibility for OUSF support. The Commission has designated Wantel as an Oregon ETC for OUSF purposes where Wantel is also a federal ETC (Roseburg, Sutherlin and Winston). A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

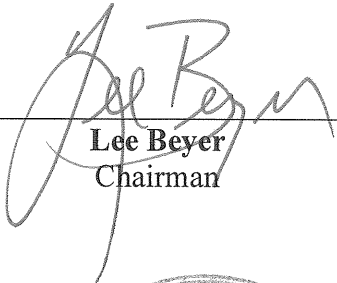
Once the Commission designates Wantel a federal ETC in Bandon, Wantel will file a separate application for Oregon ETC status in that wire center. Wantel also seeks federal ETC status so that it can participate in the federal low-income assistance program (Lifeline/Link Up) and its Oregon corollary, the Oregon Telecommunications Assistance Program (OTAP), for customers in Bandon. Staff recommends that the Commission grant Wantel's request to be designated as a federal ETC in the Bandon wire center.

At its Public Meeting on December 19, 2006, the Commission adopted Staff's recommendation and approved Wantel's application for designation as an ETC in the Bandon wire center.

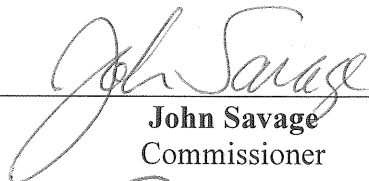
ORDER

IT IS ORDERED that Wantel's application for designation as a federal eligible telecommunications carrier in the Bandon wire center is approved.

Made, entered, and effective DEC 21 2006



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. 1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 19, 2006**

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: December 11, 2006

TO: Public Utility Commission

FROM: Kay Marinos ^{KM}
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THROUGH: Lee Sparling, ^{MS} Phil Nyegaard and ^{DB} Dave Booth

SUBJECT: WANTEL INC, d/b/a COMSPANUSA: (Docket No. UM 1255) Application for Designation as an Eligible Telecommunications Carrier.

STAFF RECOMMENDATION:

Staff recommends the Commission grant the application by Wantel, Inc. d/b/a ComspanUSA (Wantel) for designation as an eligible telecommunications carrier (ETC) for purposes of federal universal service support, in the Bandon wire center of the incumbent local exchange carrier (ILEC), Verizon Northwest Inc. (Verizon). Through its amended application, Wantel demonstrates that it meets the requirements for federal ETC designation adopted by the Commission on June 13, 2006, in Docket No. UM 1217, Order No. 06-292.

DISCUSSION:

Background

Wantel is a competitive local exchange carrier (CLEC), certified by the Commission on August 20, 1999, in Order No. 99-507, to provide telecommunications services in Oregon. Wantel provides local exchange services using its own network facilities, leased loop facilities, and resale of ILECs' retail services.

Wantel requests designation as a federal ETC in the Bandon wire center of the incumbent, Verizon. Federal ETC status enables a carrier to receive federal universal service support. The Commission previously designated Wantel as a federal ETC in three Qwest Corporation wire centers (Roseburg, Sutherlin and Winston). See Docket No. UM 1202, Order No. 05-856, entered July 14, 2005. Approval of this request will simply add the Bandon wire center to Wantel's current designated service area. As in

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the case of its previous application, Wantel seeks federal ETC designation primarily to enable it to apply for support from the Oregon Universal Service Fund (OUSF). Federal ETC status is a prerequisite to state ETC status and eligibility for OUSF support. The Commission has designated Wantel as an Oregon ETC for OUSF purposes where Wantel is also a federal ETC (Roseburg, Sutherlin and Winston). See Docket No. UM 1190, Order No. 06-081. Once the Commission designates Wantel a federal ETC in Bandon, Wantel will file a separate application for Oregon ETC status in that wire center. Wantel also seeks federal ETC status so that it can participate in the federal low-income assistance program (Lifeline/Link Up) and its Oregon corollary, the Oregon Telecommunications Assistance Program (OTAP), for customers in Bandon.

Wantel filed its initial application for federal ETC status in the Bandon wire center on March 8, 2006. After discussion with Staff, Wantel revised parts of the initial application and submitted an amended application on June 30, 2006. Wantel chose to exclude the required 5-year network improvement plan from its application until issuance of a protective order. A protective order was issued on July 7, 2006. On October 27, 2006, Wantel filed its 5-year network improvement plan.

No parties filed to intervene in this docket. Staff consulted with the incumbent, Verizon, as well as the Oregon Telecommunications Association. Both parties indicated they do not oppose the application.

Commission Authority

Section 214(e)(2) of the federal Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the Act), delegates authority to state commissions to designate common carriers that are eligible to receive federal universal service support. State commissions may confer federal ETC status on common carriers that meet conditions set out in Section 214(e)(1) of the Act. In general, those conditions require that the ETC offer and advertise, throughout its designated service area, the services that are supported by federal universal service support mechanisms. The carrier must provide the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services. Carriers other than incumbent LECs may be designated as ETCs if such designation is consistent with the public interest.

Requirements for ETC Designation

In June of this year, the Commission adopted a set of explicit requirements for federal ETC designation, based largely on the Act and FCC recommendations. See Docket No. UM 1217, Order No. 06-292. Appendix A to the order sets forth detailed

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requirements. Wantel demonstrates through its amended application and network improvement plan that it satisfies each of those requirements as described below.

1. Common carrier status: Wantel is a CLEC, certified by the Commission in Order No. 99-507, to provide local and long distance telecommunications services in Oregon.
2. Commitment and ability to provide all supported services: Wantel currently offers all required supported services, including a local usage plan comparable to that of the incumbent, Verizon. Wantel offers these services in its current designated service area, as well as in the proposed Bandon wire center service area.
3. Commitment and ability to provide supported services throughout the designated service area: An ETC must be willing and able to provide the supported services to any requesting customer at any location within its designated service area. Wantel's application includes maps of its current and planned network coverage in the Bandon area. Wantel currently uses its own network facilities to provide service to many customers in Bandon, but it needs support funds to expand its network to reach more customers. Wantel commits to provide timely service to all requesting customers, and will lease facilities or resell Verizon services if Wantel cannot initially serve a requesting customer using its own facilities. Wantel proposes to serve the entire Bandon wire center. Appendix A to this memo lists specific wire center information that the Universal Service Administrative Company (USAC) needs for federal support disbursement purposes.
4. Use of own facilities to provide service: Wantel currently serves customers in Bandon using its own facilities and plans to serve new customers on its own facilities whenever possible.
5. Commitment to use support funds only for the intended purposes (including a detailed network plan): Wantel's application includes an affidavit certifying that it will use support funds only for the intended purposes. Wantel will receive the same amount of support per line as the incumbent carrier, Verizon. The only available federal high-cost support in Bandon is Interstate Access Support (IAS), which is approximately \$5.79 per month for each residence and single-line business line, and \$ 3.47 for each multi-line business line. Verizon also receives \$13.16 each month from the OUSF for each access line in the Bandon wire center. Wantel will be eligible for the same amount per line if in a subsequent proceeding the Commission designates the company an Oregon ETC in Bandon. Because Wantel's primary objective is to receive OUSF support in Bandon, Wantel includes both types of support in its required network improvement plan. Although Wantel must obtain eligibility to receive OUSF support through a

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separate, subsequent application, plans for the combined funds demonstrate how Wantel plans to use both types of support to build out and improve its network in the Bandon service area. Specifically, Wantel plans to use the relatively smaller amount of federal support funding for additional voice grade equipment in the Bandon central office and to improve network redundancy. Wantel plans to use the additional OUSF support to build out a fiber-based network that will enable existing and new customers to have access to high-quality, reliable, and efficient advanced residential and business services.

6. Commitment to advertise supported services: Wantel commits to advertising the supported services throughout the designated service area using media of general distribution.

7. Commitment to offer and advertise Lifeline, Link Up, and OTAP services: Wantel commits to offer federal Lifeline and Link Up discounts, as well as state OTAP discounts, to qualifying low-income customers. Wantel describes how it will advertise these services to reach consumers most likely to qualify. Wantel already participates in these low-income programs for its currently designated service area.

8. Ability to remain functional during emergencies: Wantel demonstrates its ability to remain functional in emergency situations by describing the availability of battery and emergency generator back-up power, the redundancy and diversity that is built into its network, and its capabilities for handling traffic spikes. Wantel fully complies with E911 requirements.

9. Commitment to service quality and consumer protection standards: As a certified CLEC in Oregon, Wantel is subject to Oregon consumer protection laws and service quality requirements. Wantel's application includes service quality reports that demonstrate it has met or surpassed the Commission's quality standards in its current service areas.

10. Public Interest Demonstration: Order No. 06-292 requires a demonstration that designation of the applicant is in the public interest. This demonstration must address: 1) specific ways in which consumer choices will be increased, and 2) specific advantages and disadvantages of the applicant's service offerings. Additionally, designation requires a creamskimming test, but only if the proposed designated service area includes wire centers of a rural ILEC. Because Verizon is a non-rural ILEC, the creamskimming test does not apply to Wantel's application.

Wantel's application demonstrates that designating Wantel as an ETC in Bandon is in the public interest. Wantel's designation will result in increased consumer choice as

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Wantel invests universal service support funds to expand its state-of-the-art network and provide genuine facilities-based competition in the Bandon area. Bandon residents will have a greater choice of local service providers, as well as an alternative wireline provider for internet, DSL, high speed data, and other advanced services.

The advantages of Wantel's proposed service offerings include the greater reliability and feature-rich services offered by a new fiber-based broadband network. The advantages of Wantel's services and network will also be available to Lifeline-qualifying low-income consumers. Staff is unaware of any significant disadvantages of Wantel's service offerings, compared to those offered by the incumbent.

If designated, Wantel will be the first CLEC to receive federal ETC status in Bandon. Two other competitive ETCs – US Cellular Corporation and Edge Wireless -- have been designated in Bandon, but both are wireless carriers.

Reporting Requirements

Order No. 06-292 also requires that all ETCs file annual reports with the Commission in order to retain their ETC status. Wantel agrees to abide by these reporting requirements.

PROPOSED COMMISSION MOTION:

Wantel, Inc. d/b/a ComspanUSA's application for designation as a federal ETC in the Bandon wire center be granted.

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APPENDIX A

Wantel Inc. d/b/a ComspanUSA
Federal ETC Designated Service Area - Oregon
(Additional Wire Center*)

<u>Wire Center</u>	<u>CLLI Code</u>	<u>ILEC Study Area</u>
Bandon	BNDNOR	Verizon Northwest Inc. (532416)

*Wantel is currently designated as a federal ETC in the following wire centers in Oregon: Winston (WNTNOR), Sutherlin (STHROR), and Roseburg (RSBGOR). Approval of Wantel's current application will add the Bandon (BNDNOR) wire center to Wantel's designated service area for federal universal service support eligibility.