

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1300

In the Matter of	)	
	)	
WANTEL, INC, d/b/a ComspanUSA	)	ORDER
	)	
Application for Approval of Eligibility to	)	
Participate in the Oregon Universal Service	)	
Fund in the Bandon Wire Center.	)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS**

On January 29, 2007, Wantel, Inc., d/b/a ComspanUSA (Wantel), filed an application with the Public Utility Commission of Oregon (Commission) requesting Oregon Universal Service Fund (OUSF) support eligibility in the Bandon wire center of Verizon Northwest, Inc. (Verizon), the incumbent local exchange carrier (ILEC).

The OUSF program, established under ORS 759.425, is designed to ensure that basic telephone service is available at a reasonable and affordable rate. In Order No. 00-312, the Commission adopted policies for the OUSF and established support amounts to Oregon’s two non-rural ILECs, Qwest and Verizon. The Commission later expanded the fund to include rural ILECs, and established monthly support to these ILECs. *See* Order No. 03-595.

In Order No. 00-312, the Commission established procedures for designating competitive local exchange carriers (CLECs) as eligible to receive OUSF support. Under these procedures, a CLEC must file a petition with the Commission showing that it qualifies as an eligible carrier and stating the service areas for which eligibility is requested. The Commission will then consider the petition in a public meeting and either grant the petition or suspend it for investigation.

Wantel is a CLEC certified by the Commission, under Order No. 99-507, to provide telecommunications services in Oregon. Wantel is a facilities-based carrier that provides local exchange services over its own network facilities, leased unbundled network element (UNE) loops and UNE-type facilities, and resale of ILEC’s retail services.

The Commission Staff (Staff) recommended approval of Wantel’s request, subject to two conditions. The first condition is that sharing of per-line support amounts with Verizon will be calculated based on current percentages, with no true-ups on past disbursements if percentages are revised. The second condition is that Wantel abide by all rules related to OUSF participation, including maintaining its state certification and federal eligible telecommunications carrier (ETC) status. A description of the filing and its

procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

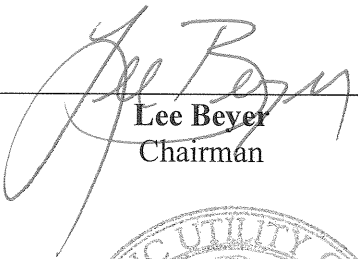
At its Public Meeting on March 27, 2007, the Commission adopted Staff's recommendation and approved Wantel's application for OUSF support eligibility in the Bandon wire centers of Verizon, subject to the two conditions set forth in Appendix A.

**ORDER**

IT IS ORDERED that:

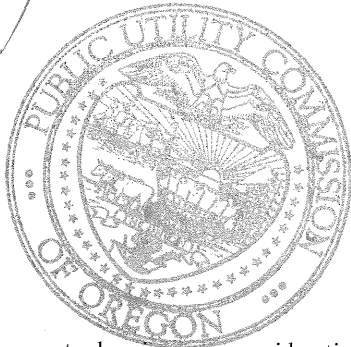
- 1) The application of Wantel, Inc., dba ComspanUSA for Oregon Universal Service Fund support eligibility in the Bandon wire center of Verizon Northwest, Inc., is granted.
- 2) The sharing of per-line support amounts with Verizon Northwest, Inc., shall be calculated based on current percentages, with no true-ups on past disbursements if percentages are revised.
- 3) Wantel, Inc., shall abide by all rules related to the Oregon Universal Service Fund participation, including maintaining its state certification and federal eligible telecommunications carrier status.
- 4) Oregon Universal Service Fund support payments to Wantel, Inc., shall commence on June 30, 2007, based on April 30, 2007, line counts.

Made, entered, and effective APR 02 2007.

  
\_\_\_\_\_  
**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.



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In February of 2006, the Commission granted Wantel eligibility to receive OUSF support in the Winston, Sutherlin, and Roseburg wire centers of Qwest Corporation (Qwest). See Docket No. UM 1190 Order No. 06-081. Wantel is currently receiving support for those wire centers. On January 29, 2007, Wantel filed its application for eligibility to receive OUSF support in Verizon's Bandon wire center. The application, which was docketed as UM 1300, basically seeks to expand Wantel's eligible area to include the Bandon wire center.

#### Requirements for OUSF Eligibility

The OUSF program was established under ORS 759.425. The purpose of the program is to ensure that basic telephone service is available at a reasonable and affordable rate. On June 16, 2000, the Commission issued Order No. 00-312 in Docket No. UM 731, in which it adopted policies for the OUSF and established support amounts to Oregon's two non-rural ILECs, Qwest and Verizon. Nearly three years later, on October 2, 2003, the Commission expanded the fund to include rural ILECs and established monthly support to these ILECs in Order No. 03-595 in Docket No. UM 1017.

Order No. 00-312 determined the procedures to be used for designating CLECs as eligible to receive OUSF support. Under these procedures, a CLEC must file a petition with the Commission showing that it qualifies as an eligible carrier and stating the service areas for which eligibility is requested. The Commission is to then consider the petition in a public meeting and either grant the petition or suspend it for investigation. Wantel filed its application for OUSF eligibility in the Bandon wire center on January 29, 2007. On March 9, 2007, Wantel supplemented that filing with an executed affidavit of Lorry Coons, the Chief Executive Officer of Wantel.

Order No. 00-312 also established the requirements for eligibility to receive OUSF support. To be eligible for OUSF support under Order No. 00-312, a carrier must:

1. Offer the supported services, throughout the designated service area, using the carrier's own facilities or a combination of its own facilities and resale of another carrier's services;
2. Advertise the availability of the supported services and charges for them using media of general distribution;
3. Offer OTAP services in compliance with Oregon Administrative Rules;
4. Not deny or disconnect basic local exchange service to an OTAP customer for failure to pay for toll charges;
5. Not require a deposit from OTAP customers who voluntarily elect to receive toll-blocking service;

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6. Accept the duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers;
7. Not install network features, functions, or capabilities that do not comply with the Telecom Act's requirements for access by persons with disabilities and coordination for interconnectivity;
8. Not prohibit or impose unreasonable or discriminatory conditions or limitations on the resale of telecommunications services;
9. Provide, to the extent feasible, number portability in compliance with Federal Communications Commission (FCC) rules;
10. Provide dialing parity to other telecommunications providers;
11. Provide access to rights-of-way to other telecommunications providers;
12. Establish reciprocal compensation arrangements for the transport and termination of telecommunications;
13. Offer the supported services on a stand-alone basis; and
14. Provide service to anyone requesting service in its service area, and build its own loop facilities to serve a customer where no facilities currently exist.

Wantel demonstrates through its application that it meets these requirements for eligibility in the Bandon wire center. In addition, Wantel submits an affidavit signed by its CEO, Lorry Coons, whereby Wantel agrees to meet all eligibility requirements for receiving OUSF support in Bandon. Staff established in Docket No. UM 1190 (Wantel's first OUSF area designation) that before receiving designation to receive OUSF support, a carrier must first obtain designation as a federal ETC for federal universal service support and as an eligible telecommunications provider (ETP) to participate in the Oregon Telephone Assistance Program (OTAP) for low-income support. Wantel completed these requirements when the Commission granted federal ETC status to Wantel in Bandon in Docket No. UM 1255, Order No. 06-681, and ETP status in Docket No. UM 1305, Order No. 07-102. In its application for federal ETC status, Wantel submitted a network improvement plan detailing how it plans to use the OUSF support it expects to receive 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. Through all these means, Wantel demonstrates that it meets the eligibility requirements to receive OUSF support in the Bandon wire center.

#### Impact on the OUS Fund, Implementation Details and Conditions

As part of its application for federal ETC status, Wantel provided a forecast of eligible customer lines for which it expects to receive OUSF support. Staff reviewed those forecasts carefully and used them to approximate the amount of OUSF support that Wantel is likely to receive. The methods for determining the amount of support that CLECs, such as Wantel, can receive were established in Order No. 00-312. The support that Wantel will receive for each eligible customer access line is determined by

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the amount of per-line support that the incumbent, Verizon, is eligible to receive in the Bandon wire center. The amount of support that Wantel will be eligible to receive for each customer line will depend on how Wantel provides the service to the customer. If Wantel serves a customer using its own loop facility, Wantel will receive the same per-line support amount that Verizon does in Bandon. Wantel will receive no support for lines provided using resale of Verizon's supported retail local service. If Wantel serves a customer using a UNE loop leased from Verizon, OUSF support will be shared by Wantel and Verizon on a percentage basis.

Wantel is planning to provide service to all its customers in Bandon through use of its own facilities. However, should Wantel be unable to provide service to any requesting customer before its own facilities are in place to serve that customer, Wantel will utilize leased Verizon facilities per the terms of the companies' interconnection agreement. In that case, Wantel and Verizon will share support. The sharing percentages are currently under review by staff. Until that review is completed, Wantel agrees to use the current sharing percentages for any facilities it may lease from Verizon. Wantel also agrees that should the percentages be changed as a result of the review, there will be no true-ups to any disbursements made prior to any revision of the sharing percentages. Verizon concurs with this approach. These conditions were also part of the Commission's approval of Wantel's earlier designation in Qwest's Winston, Sutherlin and Roseburg wire centers.

Staff recommends the Commission place a second condition on approval of Wantel's application. That condition is that Wantel abide by all the rules related to OUSF participation, including maintenance of its state certification and ETC designation for federal universal service support. Wantel's previous designation in the Winston, Sutherlin, and Roseburg wire centers included this condition, and Staff recommends that the condition be extended to the Bandon wire center as well. There are no special reporting requirements imposed on CLECs by Order No. 00-312, and Staff does not recommend adopting any at this time.

Based on forecasts provided by Wantel, Staff estimates that designating Wantel as eligible to receive OUSF support in Bandon will not significantly impact the size of the total fund or require adjustments to the surcharge rate within the next year. As Wantel's future line growth is likely to come mainly from migration of customers already served by the incumbent, OUSF support will merely shift from one carrier to another without changing the total size of the fund.

For consistency with OUSF system reporting and disbursement periods, Staff recommends that the Commission approve disbursements to Wantel to begin on June 30, 2007, based on its April 30, 2007, eligible line counts.

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**PROPOSED COMMISSION MOTION:**

Wantel, Inc. dba ComspanUSA be designated in the Bandon wire center as eligible to participate in the OUSF program, subject to the aforementioned two conditions, with support payments to commence on June 30, 2007, based on April 30, 2007, line counts.

Wantel UM 1300