

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

CP 1376

In the Matter of)	
)	
NORTH COUNTY COMMUNICATIONS)	
CORPORATION OF OREGON and)	ORDER
)	
NORTH COUNTY COMMUNICATIONS)	
CORPORATION)	
)	
Application to Transfer a Certificate of Authority to)	
Provide Telecommunications Service in Oregon as a)	
Competitive Provider.)	

DISPOSITION: CP 1376, APPLICATION GRANTED; and
DOCKET CP 310, ORDER NO. 97-311,
CERTIFICATE OF AUTHORITY TRANSFERRED
and CANCELED.

Note: By issuing this certificate, the Commission makes no endorsement or certification regarding the certificate holder's rates or service.

The Application

On July 5, 2007, North County Communications Corporation of Oregon (CP 1376 or Applicant) and North County Communications Corporation (CP 310) filed a joint application to transfer authority to provide telecommunications service in Oregon as a competitive provider. The application requests to transfer the authority of North County Communications Corporation, granted by Order No. 97-311, docket CP 310, to North County Communications Corporation of Oregon. The application was filed pursuant to OAR 860-032-0005. North County Communications Corporation is the transferor. North County Communications Corporation of Oregon is the transferee. Both entities together will be referred to as Joint Applicants.

North County Communications Corporation is currently authorized to provide intraexchange (local exchange) switched service (i.e., local dial tone) within all exchanges of the telecommunications utilities listed in Appendices A and B to this order.

North County Communications Corporation operates as a facilities-based provider and as a reseller of intraexchange service.

North County Communications Corporation of Oregon, the Applicant, will not directly provide operator services as defined in OAR 860-032-0001 but will be an 'operator service provider' as defined in ORS 759.690(1)(d).

The Commission served notice of the application on July 11, 2007. No protests or requests to be made parties of the proceeding were filed.

Based on the record in this matter, the Commission makes the following:

FINDINGS AND CONCLUSIONS

Applicable Law

Two statutory provisions apply to this application. First, ORS 759.020 governs Applicant's request to provide telecommunications as a competitive provider. Under ORS 759.020(5), the Commission shall classify Applicant as a competitive provider if Applicant demonstrates that its services are subject to competition, or that its customers or those proposed to become customers have reasonably available alternatives. In making this determination, the Commission must consider the extent to which services are available from alternative providers that are functionally equivalent or substitutable at comparable rates, terms and conditions, existing economic or regulatory barriers to entry, and any other factors deemed relevant.

Second, ORS 759.050 governs Applicant's request to provide local exchange (intraexchange) telecommunications service. Under ORS 759.050(2)(a), the Commission may authorize Applicant to provide local exchange service within the local exchange of a telecommunications utility if the Commission determines such authorization would be in the public interest. In making this determination, the Commission must consider the extent to which services are available from alternative providers, the effect on rates for local exchange service customers, the effect on competition and availability of innovative telecommunications service in the requested service area, and any other facts the Commission considers relevant. *See* Order No. 96-021.

Designation as a Competitive Provider

Applicant has met the requirements for classification as a competitive telecommunications service provider. Applicant's customers or those proposed to become customers have reasonably available alternatives. The incumbent telecommunications utilities listed in the appendices provide the same or similar local exchange services in the local service area requested by Applicant. AT&T, MCI, Sprint Communications, Qwest Corporation, Verizon Northwest Inc., and others provide interexchange telecommunications service in the service area requested by Applicant. Subscribers to

Applicant's services can buy comparable services at comparable rates from other vendors. Economic and regulatory barriers to entry are relatively low.

Public Interest

With regard to the general factual conclusions relevant to this proceeding, the Commission adopts the Commission's findings in Order No. 93-1850 and Order No. 96-021. Based on a review of those findings, as well as information contained in the application, the Commission concludes that it is in the public interest to grant the application of North County Communications Corporation of Oregon to provide local exchange telecommunications service as a competitive telecommunications provider in exchanges of the telecommunications utilities listed in the appendices, as described in the application. This finding will have no bearing on any determination the Commission may be called upon to make under sections 251 or 252 of the Telecommunications Act of 1996 (47 USC § 251, 252) with regard to the telecommunications utilities and cooperative corporations in this docket.

Conditions of the Certificate

In Order No. 96-021, the Commission interpreted ORS 759.050 and established conditions applicable to competitive local exchange carriers. Also, other conditions are listed in administrative rules, including among others OAR 860-032-0007. Applicant, as a competitive provider, shall comply with the conditions adopted in Order No. 96-021, as well as all applicable laws, Commission rules, and orders related to provision of telecommunications service in Oregon.

Per ORS 759.050(2)(c) and Order No. 96-021, Applicant shall comply with the following conditions.

1. Applicant shall terminate all intrastate traffic originating on the networks of other telecommunications providers that have been issued a certificate of authority by the Commission.
2. Applicant shall make quarterly contributions to the Oregon Universal Service fund based on a Commission approved schedule and surcharge percentage assessed on all retail intrastate telecommunications services sold in Oregon, pursuant to ORS 759.425. If Applicant bills the surcharge to its end-users, Applicant shall show the charges as a separate line item on the bill with the words "Oregon Universal Service Surcharge ____%".
3. Applicant shall offer E-911 service. Applicant has primary responsibility to work with the E-911 agencies to ensure that all users of its services have access to the emergency system. Applicant will deliver or arrange to have delivered to the correct 911 Controlling

Office its customers' Automatic Number Identification telephone numbers so the lead 911 telecommunications service provider can deliver the 911 call to the correct Public Safety Answering Point. Applicant shall work with each 911 district and lead 911 telecommunications service provider to develop procedures to match Applicant's customer addresses to the 911 district's Master Street Address Guide in order to obtain the correct Emergency Service Number (ESN) for each address. Applicant shall provide the lead 911 telecommunications service provider with daily updates of new customers, moves, and changes with the correct ESN for each.

4. For purposes of distinguishing between local and toll calling, Applicant shall adhere to local exchange boundaries and Extended Area Service (EAS) routes established by the Commission. Applicant shall not establish an EAS route from a given local exchange beyond the EAS area for that exchange.
5. When Applicant is assigned one or more NXX codes, Applicant shall limit each of its NXX codes to a single local exchange or rate center, whichever is larger, and shall establish a toll rate center in each exchange or rate center proximate to that established by the telecommunications utility or cooperative corporation serving the exchange or rate center.
6. Applicant shall pay an annual fee to the Commission pursuant to ORS 756.310 and 756.320 and OAR 860-032-0095. The minimum annual fee is \$100. Applicant is required to pay the fee for the preceding calendar year by April 1.
7. Pursuant to Oregon Laws 1987, chapter 290, sections 2-8, and to OAR chapter 860, division 033, Applicant shall ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each retail subscriber at a rate that is set annually by the Commission.
8. Applicant, as transferee, shall be liable for all fees incurred and reports due by the transferor as of the effective date of this order.

Competitive Zones

All exchanges of the telecommunications utilities and cooperative corporations listed in the appendices to this order are designated competitive zones pursuant to ORS 759.050(2)(b).

Pricing Flexibility - Local Exchange Service

By Order No. 96-021, at page 82, pursuant to ORS 759.050(5), the Commission established procedures whereby telecommunications utilities would be granted pricing flexibility for local exchange switched services. Qwest has complied with those procedural requirements for all of its exchanges. Verizon has complied with those procedural requirements for forty-three of its forty-four exchanges.

ORDER

IT IS ORDERED that:

1. The joint application of North County Communications Corporation of Oregon and North County Communications Corporation to transfer the authority granted by Order No. 97-311, docket CP 310, from North County Communications to North County Communications of Oregon, is granted. Applicant, North County Communications Corporation of Oregon, is granted authority to provide intraexchange service.
2. Applicant is designated as a competitive telecommunications provider for intraexchange service in the local exchanges of the telecommunications utilities listed in Appendices A and B.
3. The local exchanges of the telecommunications utilities listed in Appendices A and B are designated as competitive zones.
4. Any obligation regarding interconnection between Applicant and the telecommunications utilities listed in Appendices A and B shall be governed by the provisions of the Telecommunications Act of 1996 (the Act). Commission Order No. 96-021 will govern the interconnection obligations between such parties for the provision of switched local services, unless otherwise addressed by an interconnection agreement or subsequent Commission order.
5. No finding contained in this order shall have any bearing on any determination the Commission may be called upon to make under sections 251 or 252 of the Act with regard to the telecommunications utilities and cooperative corporations listed in the appendices to this order.
6. The telecommunications utilities listed in Appendices A and B shall receive pricing flexibility on an exchange-by-exchange basis as set forth in this order.

7. The authority granted to North County Communications Corporation by Order No. 97-311 in docket CP 2310 is cancelled. North County Communications Corporation no longer has authority to operate in Oregon as a competitive telecommunications provider.
8. This order is effective .

Made, entered, and effective AUG 02 2007.



Lee Sparling

Lee Sparling
Director
Utility Program

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.

APPENDIX A

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EXCHANGES OF QWEST CORPORATION
ENCOMPASSED BY THE APPLICATION

Albany	Mapleton
Ashland	Marcola
Astoria	Medford
Athena/Weston	Milton-Freewater
Baker	Newport
Bend	North Plains
Blue River	Oak Grove/Milwaukie
Burlington	Oakland/Sutherlin
Camp Sherman	Oakridge
Cannon Beach	Oregon City
Central Point	Pendleton
Corvallis	Phoenix/Talent
Cottage Grove	Portland
Culver	Prineville
Dallas	Rainier
Eugene/Springfield	Redmond
Falls City	Rogue River
Florence	Roseburg
Gold Hill	St. Helens
Grants Pass	Salem
Harrisburg	Seaside
Hermiston	Siletz
Independence/Monmouth	Sisters
Jacksonville	Stanfield
Jefferson	Sumpter
Junction City	Toledo
Klamath Falls	Umatilla
Lake Oswego	Veneta
Lapine	Walla Walla
Leaburg	Warrenton
Lowell	Westport
Madras	Woodburn/Hubbard

APPENDIX B

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EXCHANGES OF VERIZON NORTHWEST INC.
ENCOMPASSED BY THE APPLICATION

Amity	Lakeside
Aumsville/Turner	Langlois
Bandon	Lostine
Beaverton	McMinnville
Brookings	Mill City
Clatskanie	Murphy/Provolt
Coos Bay/North Bend	Myrtle Point
Coquille	Newberg
Cove	Port Orford
Dayton	Powers
Detroit	Reedsport
Elgin	Sandy
Enterprise	Scholls
Forest Grove	Sherwood
Gold Beach	Silverton
Grand Island	Stafford
Gresham	Sunnyside
Hillsboro	Tigard
Hoodland	Union
Imbler	Vernonia
Joseph	Wallowa
La Grande	Yamhill