

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1362

In the Matter of	)	
	)	
COMSPAN COMMUNICATIONS INC.	)	ORDER
	)	
Application for Designation as an Eligible	)	
Telecommunications Provider (ETP)	)	
Providing Services to Customers under the	)	
Federal Lifeline/Link-Up Program and the	)	
State of Oregon Telephone Assistance	)	
Program (OTAP).	)	

**DISPOSITION: APPLICATION APPROVED**

On January 29, 2008, the Public Utility Commission of Oregon (Commission) issued Order No. 08-101 designating Comspan Communications Inc. (Comspan) as a federal eligible telecommunications carrier in the Veneta, Reedsport, and Myrtle Point wire centers. On January 22, 2008, Comspan filed an application with the Commission requesting designation as an Eligible Telecommunications Provider (ETP), pursuant to OAR 860-033-0005. Designation as an ETP will authorize Comspan to participate in the federal Lifeline/Link Up program, as well as the Oregon Telecommunications Assistance Program (OTAP). A description of the Lifeline/Link Up program and the OTAP is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

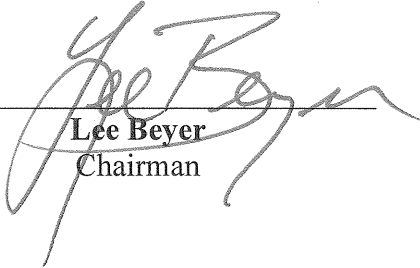
In order to be designated as a state ETP and to participate in OTAP, a telecommunications service provider must comply with federal requirements contained in C.F.R. § 54.101 and must comply with OAR 860-033-0005 through OAR 860-033-0100. Commission Staff finds that Comspan satisfies the requirements to become an ETP for the purposes of providing OTAP and Lifeline/Link Up benefits, as further provided in Appendix A.

At its Public Meeting on February 12, 2008, the Commission adopted Staff's recommendation and approved Comspan's application for designation as an ETP.

**ORDER**

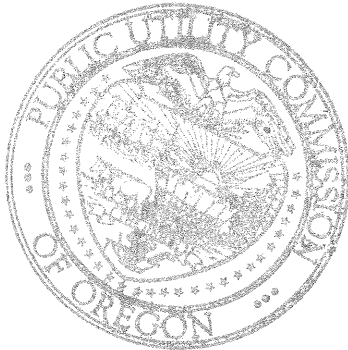
IT IS ORDERED that Comspan Communications Inc.'s application for designation as an Eligible Telecommunications Provider, in order to provide service to customers under the federal Lifeline/Link Up program and the State of Oregon Telecommunications Assistance Program, is approved.

Made, entered, and effective FEB 22 2008.

  
\_\_\_\_\_  
**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. CA 1

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 12, 2008**

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  February 12, 2008

DATE: January 29, 2008

TO: Public Utility Commission

FROM: Jon Cray, RSPF Manager

THROUGH: Rick Willis and David Poston *DP*

SUBJECT: COMSPAN COMMUNICATIONS INC.: (Docket No. UM 1362) Designation as an Eligible Telecommunications Provider, providing services to customers under the Federal Lifeline/Link-Up Program and the State of Oregon Telephone Assistance Program (OTAP).

**STAFF RECOMMENDATION:**

Staff recommends that the Commission grant Comspan Communications Inc.'s request to be designated as an Eligible Telecommunications Provider (ETP) pursuant to Oregon Administrative Rule (OAR) 860-033-0005 in the Veneta, Reedsport, and Myrtle Point wire centers. Granting the petition will authorize Comspan Communications Inc. to participate in the Federal Lifeline/Link-Up Program, as well as the Oregon Telephone Assistance Program in the Veneta, Reedsport, and Myrtle Point wire centers.

**DISCUSSION:**

**A. The Application of Comspan Communications Inc.**

Commission Order No. 08-101 designated Comspan Communications Inc. a federal eligible telecommunications carrier (ETC) on January 29, 2008, in the Veneta, Reedsport, and Myrtle Point wire centers. The company now seeks designation as an ETP in order to participate in the Federal Lifeline/Link-Up Program and the State of Oregon Telephone Assistance Program (OTAP) in the Veneta, Reedsport, and Myrtle Point wire centers. The corporation submitted their application to provide OTAP services in Veneta, Reedsport, and Myrtle Point, Oregon on January 28, 2008. Comspan Communications Inc., formerly known as Wantel Inc., is a Southern Oregon based telecommunications provider. Comspan Communications Inc. is currently authorized as a federal ETC and participates in OTAP in the Bandon, Coquille, Oakland, Roseburg, Sutherlin, and Winston wire centers.

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## **B. The Federal Lifeline/Link-Up Program**

The Federal Lifeline/Link-Up Program is a Universal Service Fund (USF) supported mechanism designed to increase the availability of telecommunications services to low-income customers.

The Lifeline portion of the Lifeline/Link-Up Program reimburses telephone companies for providing low-income customers with a discount on the cost of basic residential local exchange service. Lifeline support enables low-income customers to save up to \$13.50 with OTAP contributing \$3.50 per month. Customers living on tribal lands may qualify for alternate Lifeline discounts based on their area of tribal residence.

The Link-Up portion of the Lifeline/Link-Up Program reimburses telephone companies for providing low-income customers with a discount on the cost of connecting their basic residential local exchange service. Link-Up support enables low-income customers to save up to 50% on connection fees or up to \$30. Participants may also establish a deferred payment schedule for remaining connection charges of up to \$200.

Telecommunications service providers provide funding for Federal Lifeline/Link-Up. Carriers are required to contribute a percentage of their interstate revenues towards federal USF mechanisms, including high cost support and rural healthcare programs. Most telecommunications service providers pass this cost on to their customers via a surcharge on end user bills.

## **C. Oregon Telephone Assistance Program**

In 1987, the Commission established OTAP in response to the law enacted by the Oregon Legislature stating that all Oregonians have a right to access basic telecommunication services under the Residential Service Protection Fund (RSPF). OTAP is one of three telecommunication assistance programs outlined in Chapter 290, Oregon Laws 1987.

OTAP is administered by Commission staff and serves as an additional source of support to the Lifeline portion of the Federal Lifeline/Link-Up Program. The state contributed \$3.50 per eligible consumer for basic local exchange telephone service, while the federal government contributes up to \$10 per customer.

Currently, there are 33 ILEC companies, 1 CLEC and 5 wireless companies participating in the OTAP and Federal Lifeline/Link-Up Program. Approximately 56,000 low-income customers in Oregon currently receive OTAP and Lifeline support.

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#### **D. Oregon Telephone Assistance Program**

In states that maintain their own low-income support programs, the FCC requires customers to meet state eligibility requirements in order to receive Federal Lifeline/Link-Up support. In states that do not have their own income support programs, customers are required to meet default federal eligibility requirements. In Oregon, customers are eligible to receive OTAP and Lifeline/Link-Up assistance if they are currently receiving federal food stamps or assistance from another low-income program for which eligibility requirements do not exceed 135% of the federal poverty level. In addition to food stamps, customers receiving assistance such as Temporary Assistance to Needy Families, Supplemental Security Income or coverage under an approved medical program may qualify.

#### **E. The Federal ETC Designation Process**

Before a telecommunications service provider can receive federal USF support (whether high cost support or Lifeline/Link-Up), it must be designated as a federal ETC by a state public utility commission. On January 29, 2008, Comspan Communications Inc. was granted an ETC designation in the Veneta, Reedsport, and Myrtle Point wire centers by the Commission through Order No. 08-101, Docket UM 1316.

#### **F. The State ETP Designation Process**

In order to be designated as a state ETP to participate in OTAP, a telecommunications service provider must comply with the federal requirements contained in C.F.R. § 54.101. The applicant must also demonstrate that it will comply with OAR 860-033-0005 through OAR 860-033-0100, which includes the rules applicable to OTAP. Comspan Communications Inc. filed its completed OTAP ETP Application form on January 28, 2008. The application is attached to this memo.

Staff found that the application was complete and responsive. As part of the application, Comspan Communications Inc. agreed to abide by the PUC Oregon Administrative Rules pertaining to OTAP. These rules specifically apply to procedures for approving, denying and terminating OTAP recipients, timelines for submitting reports, requirements regarding customer confidentiality and expectations pertaining to Link-Up. In summary, Comspan Communications Inc. has satisfied the requirements to provide OTAP to their qualifying customers.

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**PROPOSED COMMISSION MOTION:**

Approve Comspan Communications Inc.'s application for designation as an ETP, so it can provide services to customers under the Federal Lifeline/Link-Up Program and the State of Oregon Telephone Assistance Program in the Veneta, Reedsport, and Myrtle Point wire centers.

Amended Oregon Telephone Assistance Program (OTAP) Application  
for Eligible Telecommunications Provider (ETP) to provide OTAP Services  
January 28, 2008

RECEIVED

2008 JAN 29 A 9:01

Part I. Application Information and Service Plan

P.U.C.

- 1. Legal name of applicant: Comspan Communications Inc.
- 2. Name or names that applicant is doing business as: \_\_\_\_\_
- 3. Contact information pertaining to your designated staff who would be handling OTAP communication:

Name: Marty Patrovsky

Address: 1012 SE Oak Avenue Suite 200

City: Roseburg State: OR Zip: 97470

Phone number: (541) 229-2101 Fax: (541) 672-9899

E-Mail: mpatrovsky@yahoo.com

- 4. Are you authorized to provide telecommunications services in the State of Oregon

Yes Oregon PUC Telecommunications Service Provider ID No. 7439

No **Stop.** You must apply for and obtain Oregon PUC approval to offer telecommunications services in the State of Oregon before you can participate in the OTAP program.

- 5. Are you currently designated as a federal Eligible Telecommunications Carrier (ETC) by Oregon Public Utility Commission in the service areas where you intend to participate in OTAP?

Yes Docket No. UM 1316

No **Stop.** OTAP is an adjunct to the federal universal service fund Lifeline and Linkup programs. You must apply for and obtain designation as a federal eligible telecommunications carrier (ETC) in those service areas where you intend to participate in OTAP.

- 6. List the specific Oregon exchanges where you seek to participate in OTAP. If your current federal ETC service area is not coextensive with specific Oregon

exchanges, please list the incumbent local exchange carrier (ILEC) wire centers where you are authorized as a federal ETC and intend to participate in OTAP. If additional space is required, please use a separate sheet of paper

<u>Exchange or Wire Center</u>	<u>Incumbent ILEC</u>
<u>Veneta</u>	<u>Qwest</u>
<u>ReedSPORT</u>	<u>Verizon</u>
<u>Myrtle Point</u>	<u>Verizon</u>

7. OAR 860-033-0005 states that an ETP must offer services under 47 CFR § 54.101 using either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications provider throughout the service area). Pursuant to 47 C.F.R. § 54.201(f), the requirement of using their “own facilities” includes, but is not limited to, purchasing unbundled network elements from another carrier. On a separate sheet of paper, please provide the following for the service area in which the applicant seeks to participate in OTAP.

- a. A general description of the telecommunications facilities owned and operated by the applicant (for example, switches, outside plant assets, fiber optic transmission equipment, ILEC collocations, etc.);

Please see Attachment 1.

- b. A list of the ILECs from whom the applicant purchases unbundled network elements;

Please see Attachment 1.

- c. A list of the ILECs or other ETCs the applicant uses to provide resale service;

Please see Attachment 1.



- d. A list of interconnection agreements the applicant maintains with Oregon ILECs and the effective date of such agreements;

Please see Attachment 1.

- e. A list of interexchange carriers the applicant will use to provide interstate and intrastate toll services for its OTAP customers.

Please see Confidential Attachment 2.

8. The number of residential, business and tribal basic service customers served by the applicant as of December 31, of the most recent calendar year. Specify whether these customers are served by wireline service or wireless instruments.

Please see Confidential Attachment 2.

## Part II. Conditions to Provide OTAP Services to Qualifying Oregonians

These conditions apply in addition to the general conditions of certification. Violating these conditions, or misrepresenting information provided to PUC in the course of administering the OTAP programs may result in cancellation of your Telecommunications Provider's Certificate, your authority to provide OTAP Services and/or an order requiring you to refund with interest and penalties of any OTAP support distributed under false information.

1. The applicant agrees to offer reduced residential rates to eligible low-income customers pursuant to the Oregon Telephone Assistance program (OTAP). See OAR 860-033-0001 through 0046.
2. The applicant understands that only PUC may approve OTAP benefits for the consumer and provide benefits to OTAP consumers after PUC has notified the applicant of their eligibility. A telecommunication provider who grants OTAP benefits to ineligible customers will have the total amount of the OTAP benefits that were given to those customers deducted from the monthly or quarterly OTAP reimbursement invoices that the telecommunications provider submits to the Commission (OAR 860-033-0045 (1) (d)).
3. The applicant agrees that they will ensure the consumer will see their OTAP credit within 30 days from the date that the applicant has been notified of the consumer's eligibility status, and to remove consumers within 30 days after they no longer qualify for OTAP benefits.
4. The applicant agrees that if an OTAP consumer did not receive his or her benefits from the applicant after being approved by the Commission, that the applicant will reimburse the consumer up to a maximum of one year of OTAP benefits credited to their telephone line (OAR 860-033-0030 (7)).

5. The applicant agrees that they will submit reports for reimbursement quarterly (if they have less than 1,000 OTAP consumers) or monthly (if they have more than 1,000 OTAP consumers). Reports are expected to be submitted even if there are zero consumers (OAR 860-033-0045 (1)).
6. The applicant agrees that upon request, a qualifying OTAP recipient shall be entitled to toll limitation service from an eligible telecommunications carrier, when available, at no additional charge. Further, the applicant agrees not to deny or disconnect basic service to an OTAP customer for failure to pay toll charges, or require a deposit from OTAP consumers who voluntarily elect to receive toll-blocking services. (OAR 360-021-0200 (5), and 360-021-0335 (4) (b)).
7. An OTAP recipient is required to be the named subscriber to the local telecommunication service in order for that household to qualify for OTAP benefits. PUC may waive this requirement if it determines that good cause exists. Applicant agrees to comply with reimbursing OTAP consumers who are not named subscribers at the Commission's request.
8. The applicant agrees to ensure that confidential information (including phone number, addresses, contact information and social security numbers) of OTAP recipients is protected (OAR 360-033-0030 (5)). The applicant agrees to maintain a written policy to ensure that the applicant's staff does not breach the confidentiality of OTAP consumers, and to do background checks on employees who have access to customer records.
9. The applicant agrees to have in place database encryption and firewall technologies to protect customer service information stored electronically.

APPLICANT UNDERSTANDS ALL OF THE ABOVE CONDITIONS AND AGREES TO ABIDE BY ALL APPLICABLE COMMISSION RULES, STATE LAW AND THE CONDITIONS OF CERTIFICATION. PLEASE INITIAL BOX AT LEFT.

*Marty Patrovsky*  
 Signature of person authorized to represent applicant

Liason Officer  
 Title

Marty Patrovsky  
 Printed Name

January 28, 2008  
 Date

**Attachment 1**  
Comspan Communications Inc.  
Oregon Telephone Assistance Program Application  
January 28, 2008

- 7.a. A general description of the telecommunications facilities owned and operated by the applicant (for example, switches, outside plant assets, fiber optic transmission equipment, ILEC collocations, etc.);

Comspan intends to employ fiber-to-the-home throughout the Requested Wire Centers linked to its long distance access tandem. Comspan has implemented Hitachi GPON to provide enhanced and expanded services. In each of the Requested Wire Centers Comspan will initiate a Phase 1 fiber deployment that will reach most customers within the wire center. Comspan will serve all customers not initially reached by its fiber by reselling ILEC services. In addition, Comspan will continue to build out its networks to reach additional customers in each wire center, where economically feasible. Comspan will purchase services for resale in the Qwest wire centers from Qwest under its interconnection agreement with Qwest; Comspan will purchase services for resale in the Verizon wire centers under its interconnection agreement with Verizon.

- 7.b. A list of the ILECs from whom the applicant purchases unbundled network elements;

Comspan leases UNEs from Verizon.

- 7.c. A list of the ILECs or other ETCs the applicant uses to provide resale service;

Comspan plans to use Qwest and Verizon to provide resale service.

- 7.d. A list of interconnection agreements the applicant maintains with Oregon ILECs and the effective date of such agreements;

Qwest Corporation: Filed and effective on 12/1/99 in Docket ARB 184.

Verizon Northwest Inc.: Filed and effective on 5/27/03 in Docket ARB 490.