

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1354

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON

Qwest Corporation Price Plan – Oregon  
Telecommunications Consumer  
Information Center.

ORDER

**DISPOSITION: STIPULATION ADOPTED; ORDER NO. 08-408  
AMENDED**

At its June 8, 2010 Public Meeting, the Staff of the Public Utility Commission of Oregon (Commission) presented two recommendations to supplement and modify Order No. 08-408. In that order, we conditionally approved Qwest Corporation's (Qwest) request for a Price Plan under ORS 759.255. One of those conditions required Qwest to make \$4 million in network improvements, which included up to \$2 million for a consumer information center. *See* Order No. 08-408, Appendix A, Section II.B.2.a.

Staff now recommends two actions to give effect to that condition. Staff states that, following a series of workshops, Qwest and the Citizens' Utility Board of Oregon (CUB) have entered into a stipulation that includes a framework agreement for the Oregon Telecommunications Consumer Information Center (OTCIC). That agreement explains that the OTCIC, which will be operated by CUB, will include an interactive website, a telephone hotline, and possible community workshops in various parts of the state. The parties also agree that only \$1 million of the \$2 million of the originally committed funds for the project is needed.

To give effect to these agreements, Staff recommends that we acknowledge the OTCIC stipulation which is attached as Appendix B. Staff supports the stipulation and framework agreement because CUB has committed to providing detailed tracking of its staff's time spent operating the OTCIC, as well as independent audits and regular reports. Staff also recommends that we approve Qwest's request that \$1 million of the originally committed \$2 million for the OTCIC be reallocated to other projects that Qwest and Staff

determine are appropriate. The details of the filings and Staff's recommendation are described in Staff's Report, attached as Appendix A, and incorporated by reference.

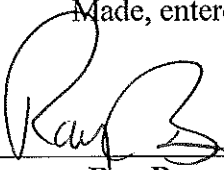
The Commission finds the Staff recommendation and the OTCIC stipulation reasonable and in the public interest.

**ORDER**

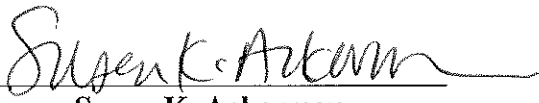
IT IS ORDERED that:

1. The Oregon Telecommunications Consumer Information Center Stipulation and Framework Agreement is acknowledged.
2. Qwest Corporation's notice to reallocate \$1 million of the \$2 million originally committed towards the Oregon Telecommunications Consumer Information Center to other projects that Qwest and Commission Staff determine are appropriate is approved.

Made, entered, and effective JUN 10 2010.

  
\_\_\_\_\_  
**Ray Baum**  
Chairman

  
\_\_\_\_\_  
**John Savage**  
Commissioner

  
\_\_\_\_\_  
**Susan K. Ackerman**  
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: June 8, 2010**

REGULAR  X  CONSENT \_\_\_\_\_ EFFECTIVE DATE \_\_\_\_\_ N/A \_\_\_\_\_

DATE: May 26, 2010

TO: Public Utility Commission

FROM: Celeste Hari *CH*

THROUGH: Bryan Conway *BC* and Kay Marinos *KM*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1354) Qwest Corporation Price Plan – Oregon Telecommunications Consumer Information Center.

**STAFF RECOMMENDATION:**

Staff recommends the Commission accept the Citizens' Utility Board's (CUB) and Qwest Corporation's (Qwest) Joint Motion for Order Acknowledging and Giving Effect to the Stipulation and Framework Agreement (Agreement) for the "Oregon Telecommunications Consumer Information Center" (OTCIC), filed on May 19, 2010. In addition, Staff recommends the Commission approve Qwest's Notice of Reallocation of \$1 Million from OTCIC to Network Infrastructure Projects (DSL Deployments), filed on May 28, 2010.<sup>1</sup>

**DISCUSSION:**

Commission Order No. 08-408, issued in Docket No. UM 1354, granted with conditions Qwest's request for price cap regulation. Section II.B.2. of Exhibit A, attached to Commission Order No. 08-408, directs Qwest to invest \$4 million in network improvements and other projects including up to \$2 million specifically toward a consumer information center. The consumer information center is discussed in Section II.B.2.a. which states:

***"Consumer information center. One of the projects will be the establishment and operation of a consumer information center which will provide information to***

<sup>1</sup> The Stipulation, Framework Agreement, and Notice can be accessed on the PUC e-dockets website at [www.puc.state.or.us](http://www.puc.state.or.us), under Docket No. UM 1354.

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*Oregon consumers to assist with understanding the nature and pricing of service offerings by telecommunications carriers and alternative providers. Of the total network investment, Qwest will commit up to a total of \$2 million towards this project. Establishment and operation of this center will be overseen by the Commission and the specific details – such as the actual amount of the investment, the timing of the investment (which may be made over the first five years of operation under the price plan), the scope of operations, the identity of the operator, and the operating budget – will be discussed among the Parties and established by the Commission following approval of plan.”*

CUB and Qwest (Parties) and Staff met several times to discuss a plan for the OTCIC. The Parties agreed that CUB will operate the OTCIC within the parameters set forth in the Stipulation and Agreement. To briefly summarize the Stipulation and Agreement, CUB will solicit bids for design of a website and a contractor will be selected by a designated committee. The OTCIC will roll out in stages, the first being construction of the website which will include various telecommunications consumer-related information. The Parties anticipate the website will be available to the public by November 2010. Approximately four to six months after the launch of the website, the OTCIC will list a toll-free “hotline” number that consumers may call for further information. Finally, the OTCIC may also provide community workshops if the Parties agree and there is a demonstrated need for them. These three components will be implemented as the website gains recognition and need is shown.

CUB committed to a “no advocacy” approach to the OTCIC. CUB also committed to provide updates and budget reports to the Commission on a regular basis. An independent auditor will be engaged to audit the fund annually and the results will be presented to the Commission. The start-up budget and general operating budget are included in the Stipulation and Agreement. The budget allows for the start-up costs, a large portion of which is the website development and promotion thereof, to be expended upfront. The general operating budget accounts for the day-to-day costs of operating the OTCIC on an ongoing basis.

The Parties agreed that the Commission may arbitrate any disputes that may arise between them. In addition, the Parties agreed that Staff may file complaints with the Commission in regard to the operation or funding of the OTCIC.

Order No. 08-408 acknowledged that Qwest would commit up to \$2 million to the project, which could be expended over the first five years of operation under the price plan. It has now been almost two years since Order No. 08-408 was issued. Accordingly, the Parties agreed that only \$1 million of the original \$2 million is required to commence and operate the OTCIC for the remaining three years of the five year price plan. After discussion, the Parties agreed that Qwest would give the Commission

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notice to reallocate \$1 million from the \$2 million originally committed towards the OTCIC to other projects. Qwest and Staff will work together to identify the projects in which the funds would be best applied. Qwest has submitted a separate notice with the Commission to address this change in the funding of the project.

The Parties and Staff discussed what should be done at the end of the five-year price plan if there are funds remaining from the \$1 million transferred to CUB for the OTCIC. Should this happen, the Parties will present alternatives at that time to the Commission for a decision.

Staff acknowledged<sup>2</sup> the Stipulation, with its accompanying Agreement, because CUB has committed to operating the OTCIC with an open door policy including detailed tracking of its staff's time, independent audits and regular reports to the Commission. Parties and Staff believe the OTCIC will be a valuable tool to which consumers may turn for assistance in understanding the fast-changing telecommunications world.

#### **PROPOSED COMMISSION MOTION:**

The Oregon Telecommunications Consumer Information Center Stipulation and Framework Agreement be acknowledged. In addition, the Commission approve Qwest's notice to reallocate \$1 million of the \$2 million originally committed towards the OTCIC to other projects that Qwest and Staff determine are appropriate.

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<sup>2</sup> Staff "acknowledged" the Stipulation rather than sign it as a "party" based upon advice of its counsel. Counsel advises that the OTCIC is not a public entity and the agreement for its creation is primarily one of a private nature between CUB and Qwest. Counsel further advises that the Commission retains jurisdiction over aspects of the OTCIC project because, should it be terminated prior to the end of the five-year price plan (whether by Commission order or by CUB voluntarily retiring the project), any remaining funds would revert to Qwest to be spent for projects as set forth under Section II.B.2a of Exhibit A attached to Order No. 08-408.

BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON  
UM 1354

In the Matter of	)	
	)	
QWEST CORPORATION	)	<b>STIPULATION GIVING EFFECT</b>
	)	<b>TO SECTION II.B.2.a. OF EXHIBIT</b>
Petition for Approval of Price Plan Pursuant to	)	<b>A TO QWEST'S PRICE PLAN</b>
ORS 759.255	)	<b>UNDER ORS 759.255 ATTACHED</b>
	)	<b>TO ORDER NO. 08-408 AS</b>
	)	<b>APPENDIX A, PAGES 12-13 –</b>
	)	<b>OREGON</b>
	)	<b>TELECOMMUNICATIONS</b>
	)	<b>CONSUMER INFORMATION</b>
	)	<b>CENTER.</b>

This Stipulation is entered into for the purpose of giving effect to Section II.B.2.a. of Exhibit A to Qwest's Price Plan under ORS 759.255 – the creation of an Oregon Telecommunications Consumer Information Center ("OTCIC"), attached to Order No. 08-408 as Appendix A, pages 12-13.

1 **PARTIES**

2 The parties to this Stipulation are Qwest Corporation ("Qwest") and the Citizens' Utility  
3 Board of Oregon ("CUB") (collectively "the Joint Parties"). PUC Staff acknowledges the  
4 Stipulation and does not oppose it. Given that the workshops which led to this Stipulation were  
5 noticed and no other party chose to attend them, it is the Joint Parties' belief that all other parties  
6 to the docket neither support nor oppose this Stipulation.

7 **BACKGROUND**

8 The Commission's Order No. 08-408 generally sets forth the background of this docket.  
9 For purposes of this Stipulation, the parties note that on October 26, 2007, Qwest filed a Petition

1 for Approval of Price Plan Pursuant to ORS 759.255. CUB intervened pursuant to ORS 774.180  
 2 and several additional parties (Telecommunications Ratepayers Association for Cost-based and  
 3 Equitable Rates (“TRACER”), XO Communications Services, Inc. (“XO”), Time Warner  
 4 Telecom of Oregon, LLC (“TWT”), Covad Communications Company (“Covad”), Integra  
 5 Telecom of Oregon, Inc. (“Integra”), McLeodUSA Telecommunications Services, Inc.  
 6 (“McLeod”), the Oregon Telecommunications Association (“OTA”) and Verizon Northwest Inc.  
 7 (“Verizon”)) petitioned and were granted intervention.”

8 On February 11, 2008, Qwest filed an Amended Petition for Approval of Price Plan  
 9 Pursuant to ORS 759.255 (Amended Petition), which superseded the original Petition, including  
 10 the proposed price plan, along with direct testimony.

11 Thereafter, on June 18, 2008, Qwest, Staff, CUB and TRACER jointly filed testimony,  
 12 witness qualification statements and a stipulation (“Price Plan Stipulation”), with the Price Plan  
 13 as Exhibit A.<sup>1</sup> The terms of the Price Plan included a specific commitment for:

14 **Network and Project Investments.** Qwest will make \$4 million in incremental  
 15 improvements to the network during the first three years at shareholder expense. Qwest  
 16 will file the proposals and the Commission or its designee will approve the specific  
 17 projects. *Proposed projects include up to \$2 million for a Consumer Information Center*  
 18 *with specific details discussed among the parties and approved by the Commission.*  
 19 Order No. 08-408, p. 5 (Citations omitted; emphasis added.)  
 20

21 Specifically, Qwest’s Price Plan provided as follows:

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 23 2. **Network and other project investments.** Qwest will make incremental  
 24 investments of \$4 million in network improvements and other projects as a  
 25 shareholder expense. Specific projects will be agreed to by Qwest and the  
 26 Commission or its designee. These investments will be made during the first  
 27 three years of the price plan, unless otherwise provided in the plan or directed by  
 28 the Commission. Qwest will file its proposed investment plan with the  
 29 Commission prior to expending any of these funds.  
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<sup>1</sup> Although they did not sponsor the testimony, Joint CLECs, as well as the sponsoring parties, executed the Stipulation adopting the Price Plan.

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a. **Consumer information center.** One of the projects will be the establishment and operation of a consumer information center which will provide information to Oregon consumers to assist with understanding the nature and pricing of service offerings by telecommunications carriers and alternative providers. Of the total network investment, Qwest will commit up to a total of \$2 million towards this project. Establishment and operation of this center will be overseen by the Commission and the specific details – such as the actual amount of the investment, the timing of the investment (which may be made over the first five years of operation under the price plan), the scope of operations, the identity of the operator, and the operating budget – will be discussed among the Parties and established by the Commission following approval of plan. Order No. 08-408 Appendix A Pg 12 of 36.

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On August 14, 2008, Qwest accepted the price plan and thereafter made several compliance filings. On October 20, 2008, Qwest filed its Price Plan Network Improvement Project Proposal. Staff issued its report on the plan on November 4, 2008 and the Commission adopted the plan by order on November 12, 2008. Order No. 08-544.

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Since August 2009, the Joint Parties, with the assistance of PUC Staff, have worked together collaboratively to agree to a proposal for the OTCIC. This Stipulation, and the attached Framework Agreement for the OTCIC, set forth the Joint Parties' agreement. This agreement is an integrated document and the substance of the Joint Parties' agreement is set forth within the four corners of these documents.

**AGREEMENT**

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1. In summary, CUB agrees to solicit bids from bidders in response to an RFP that it will draft specifically for this purpose. With help from a designated Committee, CUB will select the final bidder and offer a contract to that bidder for the development of an interactive website through which consumers can obtain information needed to compare and contrast available telephone resources. Should the website prove successful, CUB will then add a hotline staffed by CUB staff. CUB may also engage in Community Workshops if it determines this would be



1 helpful to the project. The details of this agreement, and its financial and administrative  
2 mechanisms, are set forth in Attachment A – “Framework Agreement for the Oregon  
3 Telecommunications Consumer Information Center.”

4 2. This Stipulation, and all attachments hereto, will be offered into the record of this  
5 proceeding as evidence pursuant to OAR 860-014-0085. The Joint Parties agree to support this  
6 Stipulation throughout this proceeding and any appeal (if necessary), provide witnesses to  
7 sponsor this Stipulation at any hearing, and recommend that the Commission issue an order  
8 adopting the settlements contained herein.

9 3. The Joint Parties have negotiated this Stipulation as an integrated document. If  
10 the Commission rejects all or any material portion of this Stipulation or imposes additional  
11 material conditions in approving this Stipulation, any Party disadvantaged by such action shall  
12 have the rights provided in OAR 860-014-0085 and shall be entitled to seek reconsideration or  
13 appeal of the Commission’s order.

14 4. By entering into this Stipulation, no Party shall be deemed to have approved,  
15 admitted, or consented to the facts, principles, methods, or theories employed by any other Party  
16 in arriving at the terms of the Stipulation, other than those specifically identified in the body of  
17 this Stipulation and any Exhibits attached thereto. No Party shall be deemed to have agreed that  
18 any provision of this Stipulation is appropriate for resolving issues in any other proceeding,  
19 except as specifically identified in this Stipulation.

20 5. This Stipulation may be executed in counterparts and each signed counterpart  
21 shall constitute an original document.

22 *SIGNATURE PAGE FOLLOWS*

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1 Respectfully Submitted,

CITIZENS' UTILITY BOARD OF OREGON

QWEST CORPORATION

By: *Pat Adams*

By: \_\_\_\_\_

Date: May 19, 2010

Date: \_\_\_\_\_

*S. C. M.* <sup>Atty for</sup> <sub>CUB</sub>  
May 19, 2010

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3 STIPULATION ACKNOWLEDGED:

4 PUC STAFF

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7 By: \_\_\_\_\_

8 Date: \_\_\_\_\_

1 Respectfully Submitted,

CITIZENS' UTILITY BOARD OF OREGON

By: \_\_\_\_\_

Date: \_\_\_\_\_

QWEST CORPORATION

By:  \_\_\_\_\_

Date: 5/14/10 \_\_\_\_\_

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3 STIPULATION ACKNOWLEDGED:

4 PUC STAFF

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7 By: \_\_\_\_\_

8 Date: \_\_\_\_\_

1 Respectfully Submitted,

CITIZENS' UTILITY BOARD OF OREGON

QWEST CORPORATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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3 STIPULATION ACKNOWLEDGED:

4 PUC STAFF

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By: Mike [Signature] (attorney for PUC staff)

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Date: 5/18/10

**Framework Agreement for  
the Oregon Telecommunications Consumer Information Center**

This document is the Framework Agreement ("Agreement") for the Oregon Telecommunications Consumer Information Center ("OTCIC") entered into by Qwest Corporation ("Qwest") and the Citizens' Utility Board of Oregon ("CUB"). This Agreement grows out of a stipulated settlement in OPUC Docket UM 1354 (Order No. 08-408), wherein Qwest agreed to provide up to \$2 million over five years to fund the establishment and operation of an OTCIC.

This Agreement covers the three main components of the OTCIC project – an interactive website, a telephone hotline, and potentially, community workshops in various parts of the state.

The parties, after much deliberation and a search for potential operators, have agreed that CUB will manage the OTCIC project. The parties have also now agreed that the funding for the project, as agreed to by the parties and thus approved in Order No. 08-408 ("Order"), will only require \$1 million of the "up to \$2 million" referenced in the Order. Therefore, out of the \$2 million originally designated for the OTCIC project, \$1 million will instead be retained by Qwest for application for network improvements or other projects as agreed to in the Price Plan and Order. See Order No. 08-408, Appendix A, at page 12 (Section II., Objectives of Price Plan, subsection B.2.). Qwest will submit a separate notice to the OPUC in regard to use of that money. The remaining \$1 million, now designated for OTCIC funding, will be transferred to CUB as set forth in this Agreement, and used by CUB, as needed, to establish and operate the OTCIC.

This Agreement for the OTCIC will be submitted to the OPUC by Stipulation to demonstrate continuing compliance with the Order and for acknowledgement.

**Section 1: Online Telecommunications Consumer Information Service (OTCIS)**

The parties agree that an Online Telecommunications Consumer Information Service ("OTCIS") will be the central feature for the OTCIC project. The parties have agreed that CUB will issue a Request for Proposals (RFP) seeking assistance from web design professionals to create a website. This website shall be based on the Rate-watcher Guide in the state of Maine but: 1) will be focused solely on Oregon; 2) will provide generally real-time and constantly-updated information regarding telecommunications prices and services; and 3) will be interactive, thus allowing consumers to compare and contrast prices and services on an "apples-to-apples" basis.

Once the RFP is issued, CUB will solicit bids from bidders in response to the RFP. Responding bidders will be required to submit detailed proposals outlining their methodology for providing web services compatible with the three guiding principles set forth above and responsive to the OTCIC project budget. A bid review advisory committee ("Advisory Committee") will be established and include representatives of Qwest, the telecommunications staff of the OPUC, and CUB. In addition, CUB will invite Consumer Services Division Staff of the OPUC, DOJ staff from the Consumer Protection Division, and representatives of AARP and OSPIRG to join the Advisory Committee. CUB will review all of the bids, score them against criteria that will be developed in advance, and then submit the top-scoring two to five

bids to the Advisory Committee for further review and comment. While price will be a determining factor, it will not be the only factor considered and will not dictate, although it may contribute to, the final choice.

Based on recommendations from the Advisory Committee, and follow-up telephone or in-person meetings with the top scoring two to five bidders, CUB will select the winning bid. Once the winning bid has been selected, CUB will negotiate the contract for the OTCIC website design with the winning bidder.

The website will allow OTCIC Project Staff ("Project Staff") to initiate interactivity with consumers and will facilitate Project Staff in gaining experience in the type of questions that consumers have and the type of information available to Project Staff for answering consumer questions. This interactivity via the website will provide a "paper trail" to review the type and tone of information provided by the OTCIC to ensure that the staff of the OTCIC does not cross the line into "advocacy." All parties agree that this feature is critical to the OTCIC's success.

### **Section 2: Telecommunications Information Hotline (TIH)**

Development and start-up of the Telecommunication Information Hotline (TIH) function of the OTCIC project will commence after the launch of the OTCIS website. This is because it is necessary for the website to generate consumer interest in order to make expenditure of funds for the hotline a prudent decision. It is also anticipated that CUB will learn a great deal from the development and the set-up of the central website in terms of the issues that consumers wish to see addressed, the best methods for communicating information in response to those issues to consumers, and the best methods for analyzing pricing and product information and communicating that analysis through the website. The lessons learned through the first few months of website operation will assist CUB in instructing the type of communication that will be expected via the hotline. It is anticipated that the hotline will be initiated four to six months after the launching of the website.

The parties agree that the OTCIC will not have the authority to handle consumer complaints, and that all staff of the OTCIC will direct any such complaints to the proper authority. In most cases, that authority will be either the OPUC Consumer Services staff or the DOJ Consumer Protection Division. In short, the parties agree that the mission of the OTCIC is to provide consumer information. It is not the mission of the OTCIC to duplicate complaint services provided either through the PUC Consumer Services Division or the DOJ Consumer Protection Division. Nor is it the intent of the OTCIC to advocate on behalf of individual consumers. Rather, the OTCIC's role is simply to provide information to help consumers conduct their own analysis of the differences in telecommunications pricing and service options available to them.

### **Section 3: Community Information Workshops (CIWs)**

The parties are still discussing the need for Community Information Workshops ("CIWs"), but there is agreement among the parties that this option should be left open pending the information learned through the development and operation of the website and the hotline. Assuming that CUB ultimately determines that CIWs are a vital part of the OTCIC's mission, then, as with the start-up of the hotline,

commencement of any CIWs will be staggered to fall two to four months after the hotline start-up. The goal of the CIWs will be to increase consumer literacy. The CIWs will be based on the interest of local groups to co-sponsor the events. The content of the CIWs will be informed largely by traffic on the website and questions posed on the hotline.

#### Section 4: Oversight, Budget Overview, Audit and Budget Processes

The parties are requesting that the OPUC acknowledge this proposal as the operating framework for the OTCIC. The parties understand that while the OPUC is retaining general oversight of the project and its funding pursuant to Order No. 08-408, Appendix A, at page 12 (Section II., Objectives of Price Plan, subsection B.2.), the OPUC does not intend to oversee the operational details of the project.

- A. **Oversight and Budget Overview:** The parties propose the following system of oversight. Immediately upon the OPUC's acknowledgment of this Agreement, Qwest will release project funds to CUB as described below. As the OTCIC project manager, CUB will report to the OPUC at regular public meetings on no more than a quarterly basis on both the use of the funds and on programmatic milestones. CUB will also provide budget documents to the OPUC, at least every six months, for updating and acknowledgment purposes. Such documents will include budget reports detailing how monies are spent, reports detailing OTCIC staff time allocations, copies of consultant invoices, and a copy of the annual independent audit of the OTCIC.

At the end of the OTCIC project's first fiscal year, any unused portion of the first year budget for the OTCIC project will be rolled over to the next annual fiscal cycle and counted against the next budget. CUB commits to not using any OTCIC funds for any purpose other than the OTCIC. This commitment includes not borrowing against OTCIC funds for other, non-OTCIC related program activities.

- B. **Audit:** CUB will commit to submitting an audit conducted by an outside independent auditor of the OTCIC project funds on an annual basis to the OPUC. As part of the audit, CUB will ask the auditor to certify that the funds being spent on the project are in accordance with this agreement.

Budget Process/Transfer of Funds: The parties propose the following process for transfer of funds from Qwest, its successors and assigns, to CUB to implement the OTCIC project.

First, CUB will establish two separate interest bearing accounts: a project start-up account and a project operating account.

Second, immediately upon acknowledgment of this Agreement, Qwest will transfer the amount outlined for the start-up budget (\$100,000) into the project start-up account, and one-third of the remainder of the \$1 million (\$300,000) into the project operating account. Interest accrued in the operating account, or the ladder of CDs created with monies from the operating account, will be used only for the OTCIC project.

Third, after one year, CUB will report to the OPUC and the other parties on the progress of the project and, assuming the project is operating as set forth in this Framework Agreement and there is no complaint

raised for the OPUC to arbitrate, the remainder of the \$1 million (\$600,000) will be transferred to the OTCIC operating account. Interest accrued in the operating account and other accounts or CDs created with monies from the operating account will be used only for the OTCIC project.

Fourth, six months before the end of Qwest's (or its successors and assigns) five-year Price Plan term (February 8, 2013), parties will meet to confer on the status of the project, funds remaining in the CUB operating account, and to estimate the funds that will be in the CUB operating account at the end of the Price Plan term (August 8, 2013). The parties will also discuss whether CUB intends to keep running the OTCIC past the ending date for the current Qwest Price Plan, with or without Qwest (or its successors and assigns) funding. If CUB projects that there will be funds remaining in the CUB operating account at the end of the Price Plan term, then Qwest (or its successors and assigns) will meet with CUB and OPUC Staff in an attempt to develop a recommendation for OPUC acknowledgement stating how funds shall be utilized in the future by CUB, or whether the remaining funds should be returned to Qwest (or its successors or assigns) for network improvements or other projects. *See* Order No. 08-408, Appendix A, at page 12 (Section II., Objectives of Price Plan, subsection B.2.). Options that parties will recommend the OPUC may consider include: 1) allowing CUB to continue to use remaining funds to operate the project as long as the funds last; 2) directing return of remaining funds to Qwest (or its successors and assigns), for network improvements (including, but not limited to, broadband infrastructure improvements); or 3) a combination of the first two options.

CUB notes that allowing for the possibility of project continuation after the termination of the current pricing plan period will provide it the incentive to spend project funds carefully in order to stretch them out as far as possible. The parties acknowledge that any interest on the funds received by CUB during the Qwest Price Plan period will accrue to the project operating account and be used to support the project until such time as (1) the OPUC terminates the OTCIC or (2) a decision is made on the continuation of the OTCIC past the five-year term of the Qwest Price Plan. The parties agree that the OPUC retains the authority to terminate the project and return the funds to Qwest (or its successors or assigns) for purposes set forth in Order No. 08-408, Appendix A, at page 12 (Section II., Objectives of Price Plan, subsection B.2.) if the Commission finds that the project is not accomplishing its stated purpose.

CUB will be responsible for reporting on expenditures from both accounts and any CD ladders related to the OTCIC to the OPUC and to the parties. Once the start-up phase of the project is completed (expected to be a period of approximately one year), the Start-up Account will be closed. Any unspent start-up funds will be transferred to the OTCIC operating funds account and used for operational purposes.

The parties agree that upon final expenditure of all funds provided by Qwest for the start-up and operation of the OTCIC project, CUB may choose to obtain an alternate funding source and continue the project indefinitely at its discretion. The parties further agree that any and all office supplies, office equipment, office furniture, website-related infrastructure or design, websites, other computer software, databases, brochures, or other necessary items purchased with OTCIC funds at start-up, or during initial operation of the OTCIC, shall upon expenditure of all project funds, or upon early termination of the project by the OPUC, remain the property of CUB, and shall not be considered to be property (intellectual or otherwise) of Qwest (or its successors or assigns).



The parties agree that should the project terminate prior to expenditure of all funds provided by Qwest (or its successors and assigns), whether by OPUC order or by CUB voluntarily retiring the project, all unspent OTCIC project funds shall be returned to Qwest (or its successors and assigns) for use in network and other project investments as outlined in Order No. 08-408, Appendix A, at page 12 (Section II., Objectives of Price Plan, subsection B.2.) All other materials and equipment shall, as set forth in the prior paragraphs, remain the property of CUB.

C. Budget Detail:

The following provides an outline of CUB's budget projections for the start-up and operating expenses for the OTCIC project. Immediately following these budget spreadsheets is a line item explanation of each budget item.

<b>Oregon Telecommunications Information Program</b>				
<b>Start-Up Budget</b>				
<b>June 2010 - June 2011</b>				
<b>Ordinary Income/Expense</b>				
<b>Expense</b>				
			100 · Website Developm	\$ 40,000.00
			120 · Promotion/Marke	\$ 50,000.00
			130 · Hiring Expense	\$ 500.00
			140 · Telecom Equipme	\$ 500.00
			150 · Office Equipment	\$ 4,000.00
			160 · Printing and Repr	\$ 2,500.00
			200 · Other	\$ 2,500.00
			<b>Total Expense</b>	<b>\$ 100,000.00</b>

TCIC General Operating Budget			
	100 · Website Development/Maintenance	\$ 15,000.00	
	120 · Promotion/Marketing	\$ 25,000.00	
	130 · Insurance	\$ 500.00	
	140 · Rent	\$ 8,000.00	
	150 · Printing and Reproduction	\$ 3,000.00	
	160 · Telecommunications Services	\$ 3,000.00	
	170 · Travel Expenses	\$ 2,500.00	
	180 · Licenses and Permits	\$ 100.00	
	190 · Postage/Mailing	\$ 500.00	
	200 · Other	\$ 2,000.00	
	300 · Payroll Expenses		
	310 · Gross Pay	\$ 170,000.00	
	320 · Employee Benefits	\$ 20,000.00	
	Total 300 · Payroll Expenses		\$ 190,000.00
		\$ 249,600.00	

**i. Line Item Explanation**

Start-up Budget

*Website Development* – The first goal of OTCIC will be to develop and publish a website with a high level of real-time accuracy. In order to accomplish this goal effectively, a majority of the start-up costs associated with the project will go towards commissioning a thorough, useful, and well-maintained website. Time and labor are the most significant costs associated with this type of project.

*Promotion/Marketing* – The only way that consumers will know of OTCIC as a resource is if they are made aware of it. The project will require a moderate publicity campaign, to be coordinated by CUB and Project Staff. CUB will use its own network and contacts, and will work with organizations such as AARP-Oregon, OSPIRG and other organizations with grassroots memberships to publicize the service through newsletter and other membership outreach. The budgeted funds will augment these grassroots efforts with a limited publicity effort, which could include web advertising, radio ads and some print ads in local publications. Targeted promotion and marketing spending will be focused on areas that CUB believes are missed in the grassroots outreach to ensure statewide awareness of the project.

*Hiring Expense* –In order to hire the necessary new OTCIC, CUB Staff will have to allocate time to managing the hiring process. CUB Staff time will be devoted to hiring for the OTCIC project, including

such tasks as the writing of employment ads, review of applicant materials, correspondence regarding same, and interview time, all of which shall be billable to the start-up OTCIC account.

*Telecom Equipment* – As with any organization, telephones are a necessity. In addition to the day-to-day business of an organization, the OTCIC's telecom equipment should also take into consideration any needs that may exist in the future once the hotline is established. Expenses related to the purchase and installation of telephone equipment are also billable to the start-up OTCIC account.

*Office Equipment* – As above, the OTCIC will require the basic necessities of an office to function in a day-to-day capacity. These needs include computer equipment, printers, furniture, and possession of or access to additional equipment such as a facsimile machine and copier. CUB may charge expenses for the listed items to the OTCIC start-up or operation account as appropriate.

*Printing and Reproduction* – The project should expect to maintain a budget line for printed materials inclusive of the day-to-day needs of any small organization. These materials could include business cards, informative brochures, etc. This line item also anticipates the initial needs of the community workshops, which would start about midway through the start-up period. CUB may bill these expenses to the OTCIC start-up or operation account as applicable.

*Other* – This small fraction of the overall start-up budget will be used to cover unanticipated expenses. It will also include the drafting of this agreement. CUB may charge attorney time for preparation of OTCIC documents, both in order to set up and to manage the OTCIC, to the OTCIC accounts, as applicable.

ii. Operating Budget

*Payroll Expenses* – As outlined previously in this document, the OTCIC anticipates hiring dedicated project staff. Payroll expenses will also include management oversight time for services supplied by existing CUB staff. To the extent that current CUB staff is involved, CUB will track their time using software that CUB staff use to track time on various dockets for intervenor funding purposes. CUB expects that Project Staff hired for the OTCIC will be focused on that project work, but in the event that their time is dedicated to other purposes, CUB will track that time separately and not pay those staff with OTCIC project funds.

Initial projections for a fully-staffed OTCIC project is 2.5 dedicated full-time equivalents (“FTEs”). This staffing plan will be phased in over time as the project develops. Based on discussions with the Maine Office of Public Advocate, their estimates were that they spent 300 hours per month in the lead-up to their creation of their Ratewatcher Guide. Since the OTCIC project will be undertaking essentially the same tasks, CUB projects at least 300 hours per month by dedicated project staff. After the initial design and launch phases, ongoing research will be required to keep the information updated in as real-time fashion as possible.

CUB anticipates that two staff people will be needed within the first three months of the project. CUB foresees making one hire immediately, and then a second hire once the workload is established. However, although the time involved will still be substantial, CUB believes that maintaining the website

will not require the same number of hours per month as in starting up the website. CUB anticipates the monthly time allocation to website maintenance to drop to 250 hours per month. The remaining hours would then be dedicated to the start-up of the hotline phase of the project. If the need for a second staff person has not been exhibited by this point, CUB believes it will almost certainly be required at the start of the hotline phase. Eventually, CUB anticipates approximately 80 hours per month to be dedicated to hotline outreach, maintenance, interaction with consumers and researching questions raised. This projection is based on discussions with Illinois CUB in regard to their hotline, in addition to experience existing CUB staff have with operating similar programs. Finally, within another few months, time will be dedicated to organizing and delivering community workshops, which are projected to ultimately require 55 hours per month. Thus, the entire project is projected to require 395 hours per month to manage with the full breakdown as follows: 250 hours for website research and maintenance; 80 hours for hotline operation and maintenance; 55 hours per month for community workshop organizing and delivery, and 10 hours per month for administrative upkeep and record-keeping. This estimate works out to 39.5 hours per week for 2.5 FTE. As parties have discussed, if these projections do not meet expectations, CUB will adjust the staffing levels accordingly.

*Website Maintenance/Support* – In order to continue the usefulness, accuracy, and informative nature of the website outlined above, an ongoing relationship with the website designers will be necessary to troubleshoot any problems that may arise, as well as to manage the standard updates applied to any website or software. This annual expense is integral for the functionality of the website.

*Promotion/Marketing* – See above in the start-up budget; this expense would refer to ongoing awareness raising of the website and eventually the hotline.

*Insurance* – Accounts for the anticipated increases to CUB's existing policies.

*Rent* – As CUB currently operates in limited space, the OTCIC would require additional space for its own operations. Thus, it may be necessary for CUB to maintain an additional lease for its space. Even if CUB determines to move its offices to larger space, the OTCIC will pay only for its portion of that space rental/lease.

*Printing/Reproduction* – See above in the start-up budget; this expense would refer to ongoing needs.

*Telecommunication Services* – See above in the start-up budget; this expense would refer to the ongoing vendor contracts and services as necessary.

*Travel Expenses* – When the OTCIC begins its community outreach, this expense would provide for the OTCIC's basic travel expenses (primarily mileage and parking, in accordance with CUB policies).

*Licenses/Permits* – See above re: insurance.

*Postage/Mailing* – See above in the start-up budget.

*Other* – See above in the start-up budget.

**Section 5: Miscellaneous Provisions.**

**Intellectual Property:** Materials developed by contractor(s) under the RFP and other program materials developed by CUB and OTCIC Staff in regard to the OTCIC program, including but not limited to, the website, databases, brochures, program materials etc., are the intellectual property of CUB. Only CUB has the right to copywrite these materials if it so chooses.

**Assumed Business Name:** The name that CUB ultimately chooses for the project, whose working title is the "Oregon Telecommunications Consumer Information Center" (OTCIC), shall be an assumed business name of the Citizens' Utility Board of Oregon. By signing this Agreement, Qwest (and its successors and assigns) give up all rights to ever use the current working title or subsequent name(s) chosen for the OTCIC project by CUB.

**Enforcement/Dispute Resolution Process:** The parties agree that should any dispute arise between the parties, or their successors and assigns, in relation to the Agreement's operation or funding and remain unresolved, the Commission may enforce the terms of the Agreement in the same manner as the enforcement of a Commission order. To the extent the Commission lacks authority to enforce or compel performance of particular terms of this Agreement, the Parties may seek enforcement in a court of competent jurisdiction of the State of Oregon. The jurisdiction over this Agreement of the Commission and the courts in the State of Oregon shall be exclusive.

**Grant of Authority to OPUC Staff:** The parties separately grant to OPUC Staff the ability to file a complaint with the OPUC in regard to the operation or funding of the OTCIC.

**Assignment and Delegation:** It is anticipated that Qwest may merge with CenturyLink during the time period covered by this agreement. Qwest commits to ensuring that this Agreement is not modified in any way by its successors or assigns, without the consent of all parties in writing, should Qwest merge with any other entity.

**Limitation of Liabilities Clause:** No party, its successors or assigns, shall have a claim against any other party for attorney's fees or costs related to the prosecution of any claim before the OPUC resulting from this matter. No party, or its successors or assigns, to the Agreement shall have a claim against any other party for damages under this or any other dispute resolution process related to the operation of the OTCIC but may have a claim for specific performance.

**Time of the Essence:** Time is of the essence with respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

**Notice:** Each party agrees to give the other parties at least 30 days notice of its intent to move to change any provision of this Agreement. Notice shall be made by first class mail. Service shall be made on Qwest at the following location:

Qwest [through June 30, 2010]  
421 SW Oak, 8th Floor  
Portland, OR 97204  
503-242-5623 (office)  
[Alex.Duarte@qwest.com](mailto:Alex.Duarte@qwest.com)

Qwest [after June 30, 2010]  
310 SW Park Ave, 11th Floor  
Portland, OR 97205  
503-242-5623 (office)  
[Alex.Duarte@qwest.com](mailto:Alex.Duarte@qwest.com)

Notice shall be made on the Citizens' Utility Board of Oregon at the following location:

Citizens' Utility Board of Oregon  
610 SW Broadway Suite 308  
Portland OR 97205  
503-227-1984 phone  
503-274-2956 fax  
[cub@oregoncub.org](mailto:cub@oregoncub.org) email

Any party intending to move to change any provision of this Agreement shall provide the OPUC notice of such intended change for informational purposes. Notice shall be made to the OPUC at its official Salem mailing address.

Force majeure provisions: No party to the Agreement shall be considered to be in default in performance of any of its obligations under the Agreement, except to make payment as specified above, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the Agreement by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

Counterparts: The Agreement may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute only one agreement.

Entire Agreement: This Agreement supersedes, other than prior Commission orders, any and all oral or written agreements and understandings made relating to the OTCIC and constitutes the entire agreement and understanding of the parties.

Successors: The terms and provisions of this Agreement and the respective rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors.

Amendments: No amendment or modification of the terms of this Agreement shall be binding on any Party unless reduced to writing and signed by all Parties.

Governing Law: This Agreement shall be governed and construed in accordance with the laws of the State of Oregon, without regard to the principles of choice of law.

Severability Clause: In the unlikely event that the OTCIC project is terminated by the OPUC prior to the August 2013 end date, or is terminated voluntarily by CUB, or the Agreement is found by the OPUC or any court to be invalid, the provisions of this Agreement that address the following subjects:

- Intellectual Property,
- Copyright
- Property/equipment Ownership
- Return of funds to Qwest
- Assumed Business Names
- Dispute Resolution
- Limitation on Liabilities
- CUB Election to Continue Project with Alternate Source of Funds
- Time is of the Essence

shall be severed from the Agreement and shall be in effect in perpetuity at CUB's discretion.

CITIZENS' UTILITY BOARD OF OREGON

By: *[Signature]*

Date: May 19, 2010

QWEST CORPORATION

By: \_\_\_\_\_

Date: \_\_\_\_\_

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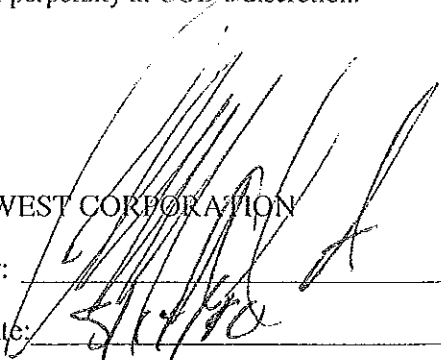
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CITIZENS' UTILITY BOARD OF OREGON

By: \_\_\_\_\_

Date: \_\_\_\_\_

QWEST CORPORATION

By:  \_\_\_\_\_

Date:  \_\_\_\_\_