

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1481

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGONStaff Investigation of the Oregon Universal
Service Fund.

ORDER

**DISPOSITION: GENERAL INVESTIGATION SUSPENDED; NON-RURAL
INCUMBENT LOCAL EXCHANGE CARRIER REPORTING
REQUIREMENTS TO BE ADDRESSED IN NEXT PHASE
OF PROCEEDING**

I. SUMMARY

In this order, the Public Utility Commission of Oregon (Commission) suspends the general investigation into the role and purposes of the Oregon Universal Service Fund (OUSF) until such time as the Federal Communications Commission (FCC) issues its decision on the means by which federal support will be given for investment in broadband communications services in rural areas. The Commission also authorizes the Commission Staff (Staff) to work with the parties to develop and provide to the Commission recommended actions to assure transparency and accountability of the non-rural ILECs' Frontier's (Citizens Telecommunications Company of Oregon, dba Frontier Communications of Oregon) and CenturyLink's¹ (Qwest subsidiary) use of OUSF funds on a prospective basis.

II. DISCUSSION

In Order No. 10-496, entered December 28, 2010, we deferred final action on any revision to the OUSF until after the upcoming legislative session, but adopted several reporting requirements and procedures to respond to our concerns about accountability with respect to the current fund. By Order No. 11-132, entered April 25, 2011, we granted a motion for reconsideration and stay of Order No. 10-496.

Also on April 25, 2011, the Commission held a public meeting which provided the parties the opportunity to express their views on the scope and timing of the investigation

¹ Century Tel of Oregon, Inc., CenturyTel of Eastern Oregon, Inc., and United Telephone Company of the Northwest, dba Century Link (collectively "CenturyLink").

into the OUSF and the need for accountability and transparency with respect the use of OUSF funds by the non-rural ILEC subsidiaries of Frontier and CenturyLink.

Upon review of the current state of uncertainty with respect to the outcome of the FCC OUSF review, we have concluded that the general investigation into the scope and purposes of the OUSF should be indefinitely suspended, until such time as the FCC issues its report and order, and the Commission Staff (Staff) has had the opportunity to evaluate the FCC's decision.

Nevertheless, because the OUSF continues in its present form while the general investigation is suspended, we believe that it is appropriate for the Commission to address the issue of non-rural ILEC transparency and accountability for the use of OUSF funds without waiting for the larger OUSF issues to be addressed. We therefore authorize Staff to work with the parties to develop and provide to the Commission recommended actions to assure transparency and accountability of the non-rural Oregon ILECs' use of OUSF funds on a prospective basis.

III. ORDER

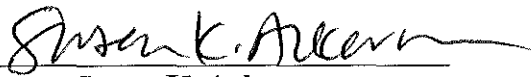
IT IS ORDERED that:

- 1. This general investigation into the scope and purposes of the Oregon Universal Service Fund is suspended; and
- 2. The Staff of the Public Utility Commission of Oregon shall work with the parties to develop and provide the Commission with recommendations as to the best means to assure transparency and accountability of the non-rural Oregon ILEC subsidiaries of Frontier and CenturyLink, for their use of Oregon Universal Service Fund distributions.

Made, entered, and effective JUN 16 2011.



John Savage
 Commissioner



Susan K. Ackerman
 Commissioner

