ORDER NO. 25-276

ENTERED Jul 22 2025

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1084

In the Matter of UNITED STATES CELLULAR CORPORATION, Application for Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on July 22, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:

Alison Lackey
Chief Administrative Law Judge

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA6

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 22, 2025

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** __________N/A__________

DATE: July 11, 2025

TO: Public Utility Commission

FROM: Jon Cray

THROUGH: Bryan Conway and Melissa Nottingham **SIGNED**

SUBJECT: UNITED STATES CELLULAR CORPORATION:
(Docket No. UM 1084)
Notice of Relinquishment of ETC and ETP Designations.

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission (the Commission) approve United States Cellular Corporation's (USCC or the Company) request to relinquish the Company's Eligible Telecommunications Carrier (ETC) and Eligible Telecommunications Provider (ETP) designations, conditioned upon and effective concurrently with the consummation of T-Mobile's acquisition of USCC, and subject to the four (4) conditions set forth in this memo.

Staff further recommend that, if the transaction does not reach financial and legal close by December 31, 2025, the relinquishment shall not take effect, and the Company shall be required to submit new notice to the Commission should it choose to proceed with relinquishment.

DISCUSSION:

Issue

Whether the Commission should approve USCC's notice to relinquish its ETC and ETP designations.

Applicable Law

Section 214(e)(2) of the federal Communications Act of 1934, as amended, gives state commissions primary responsibility for designating ETCs to receive federal universal service support for high-cost and low-income (Lifeline) purposes. General ETC and Lifeline requirements are reflected in Federal Communications Commission (FCC) regulations, 47 CFR Part 54. Specific federal requirements for ETC relinquishment are prescribed in both 47 USC §214(e)(4) and 47 § CFR 54.205(a) and are similar in each case. Federal law requires an ETC to provide advance notice of relinquishment to the state commission that granted its ETC designation. After receiving such notice, the state commission shall grant an ETC to relinquish its designation if there will be at least one ETC remaining in the area and all customers of the relinquishing carrier can obtain service from the remaining ETC(s). If this condition cannot be met, the state commission shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC(s).

Currently, there are no Oregon-specific requirements for ETC relinquishment beyond the federal requirements, nor are there any specific Oregon Administrative Rules that govern ETP relinquishment. However, because ETP status requires active federal ETC status, relinquishment of ETC designation effectively terminates ETP designation as well.

Analysis

Background
USCC is a publicly traded Delaware corporation headquartered in Chicago, Illinois and a majority-owned subsidiary of Telephone Data Systems, Inc. The Commission granted ETC designation to USCC on June 24, 2004, which enabled the Company to receive federal universal service high-cost and low-income (Lifeline) support. USCC currently provides postpaid and prepaid wireless voice, data, and messaging services as well as in-home and business fixed wireless broadband internet access service to customers in 21 states, including Oregon.

Notice of Relinquishment
On March 11, 2025, USCC filed Notice of Relinquishment (Notice) of its ETC (and ETP) designations, pursuant to 47 U.S.C. § 214(e)(4) and 47 § C.F.R. 54.205(a). In the Notice, USCC informs the Commission that relinquishment is necessitated by the anticipated acquisition of the Company’s wireless business operations, customers, and certain spectrum licenses and spectrum leases by T-Mobile US, Inc. (T-Mobile), subject to all Federal Communications Commission (FCC) requisite regulatory approvals. However, USCC requests that the effective date of relinquishment be contingent upon

and concurrent with the closing date of the transaction. USCC demonstrates in the Company's Notice that it meets the federal requirements for ETC relinquishment.

USCC's filing provides the required advance notice of relinquishment to the Commission. USCC's designated service area is within wire centers served by incumbent local exchange carriers, all of which are ETCs that offer Oregon Lifeline discounts on voice and broadband internet access service. Therefore, no purchase or construction of facilities will be required because of USCC's relinquishment.

Although USCC meets the basic federal requirements for ETC relinquishment, those requirements do not address potential effects on customers, such as adequate notice periods. Nor do the Commission's own rules for abandonment of service apply to wireless service providers such as USCC. Nevertheless, USCC attempts to address the concern in the Company's notice as it pertains to advance customer notice based on Commission precedent.

Customer Notice and Implications
The Commission has imposed customer conditions on relinquishing ETCs that have occurred in several phases and forms. *See* Order Nos. 21-495 and 22-328, for example. The objective of multiple, sufficient advance notices of impending termination of Lifeline-supported service affords customers ample time to select and apply for the Oregon Lifeline benefit through another ETC, if they so choose. Also, to minimize the potential for new customer churn and confusion, the Commission has either stopped accepting applications or ordered a relinquishing ETC to stop accepting applications after approval of the relinquishment notice, thereby preventing an eligible household from applying for and receiving the benefit for a limited duration only to be notified of impending termination. This serves as a preemptive measure that averts or minimizes disruption to customers when they can apply for and receive the Oregon Lifeline benefit through another ETC.

In USCC's notice, the Company advised the Commission that customer notification will take place in three (3) stages by issuing a text message at least sixty (60) days, thirty (30) days, and fifteen (15) days prior to the date of relinquishment. Since USCC's filing, Company representatives and Staff have engaged in numerous discussions and Staff appreciates the Company's collaborative approach. However, the undetermined timing and outcome of requisite federal approval presents an issue that is not optimal for approximately 1,200 Oregon Lifeline customers affected by the USCC's relinquishment notice. USCC believes that requisite federal approval is imminent, i.e., mid-2025. Absent an effective relinquishment date, the Company's proposed customer notification time frames are not reasonably feasible.

Staff's concerns with the lack of adequate notice and time for customers to select and apply for the Oregon Lifeline benefit with another ETC are mitigated by USCC's statements that (1) T-Mobile will continue to provide service to these subscribers on their existing plans for a limited time, (2) T-Mobile will provide an equivalent of the federal Lifeline and OTAP discount for 45 days post-closing, and (3) T-Mobile will direct former USCC Oregon Lifeline customers to the Commission-developed webpage referenced in Condition 2 below in any post-transaction outreach communications. However, as the relinquishing ETC, USCC has agreed to the following four (4) conditions that address and mitigate Staff's concerns.

1. USCC will not claim federal Lifeline disbursement or Oregon Telephone Assistance Program (OTAP) reimbursement for the month preceding the close of the transaction.

2. On the same day USCC becomes aware of the date on which the transaction is scheduled to close, the Company will notify Commission Staff accordingly. USCC will issue at least one (1) text message to all the Company's affected Oregon Lifeline customers, informing them of the impending sale. The text message will also direct customers to visit a webpage developed by the Commission containing additional information regarding the transaction and alternative options available through the Oregon Lifeline program. Also, to the extent sufficient time is available, USCC will mail a letter that contains Spanish translation to the Company's Oregon Lifeline customers and includes detailed information about the transaction, the effect it will have on their discount, and the Commission webpage address for other options available to them from the Oregon Lifeline program.

3. Prior to the close of the transaction, all general USCC customer service representatives will route Oregon Lifeline customers to the Company's specialty queue for support from a dedicated tenured group of representatives. USCC will ensure that these representatives are prepared to appropriately respond to Oregon customer inquiries and concerns about the relinquishment and impending termination of the federal Lifeline and OTAP discount.

4. The Commission will stop accepting Oregon Lifeline applications on the date that USCC notifies Commission Staff of the Company's knowledge of the scheduled closing date of the transaction. Until such time that USCC provides this notification, the Company will provide all Commission-approved customers the federal Lifeline and OTAP discount or the equivalent.

Although FCC approval of the proposed transfer of USCC's wireless operations, customers, and certain spectrum licenses and spectrum leases to T-Mobile appears probable, Staff recommends that the Commission prepare for the risk of a failed acquisition. Rather than issue an open-ended Order, Staff recommends If the acquisition is not consummated on or before December 31, 2025, this approval shall expire, and USCC shall be required to submit a new relinquishment notice to the Commission as necessary and appropriate.

Conclusion

Staff recommends the Commission grant USCC's Notice of Relinquishment of the Company's ETC and ETP designations, conditioned upon and effective concurrently with the consummation of T-Mobile's acquisition of USCC, and subject to the above-listed conditions. USCC demonstrates that the Company meets the federal requirements for ETC relinquishment, and ETP relinquishment must necessarily follow. The conditions ensure that Oregon Lifeline customers receive the necessary notice and direct guidance from the Commission in the selection of another ETC and application process.

PROPOSED COMMISSION MOTION:

Approve USCC's ETC and ETP designation relinquishment notice, conditioned upon and effective concurrently with the consummation of T-Mobile's acquisition of USCC, and subject to the four (4) conditions set forth in this Staff Report, with an expiration date of December 31, 2025, if the acquisition is terminated.

If the acquisition is not consummated on or before December 31, 2025, this approval shall expire, and USCC shall be required to submit a new relinquishment notice to the Commission as necessary and appropriate.

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