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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Public Programs Branch**

**RESOLUTION T-16830
May 6, 2004**

R E S O L U T I O N

**Resolution T-16830. Revises and Consolidates Reporting Requirements
for all Telecommunications Carriers Eligible for Federal Universal
High-Cost Support.**

Summary

This resolution revises and consolidates reporting requirements for all eligible telecommunications carriers (ETCs) eligible to receive federal universal high-cost support.

Background

In Resolution T-16566 dated September 6, 2001, the Commission established reporting requirements for ETCs eligible for federal universal service high-cost support requiring each ETC eligible to receive federal universal service high-cost to file an advice letter with the Commission providing relevant information in a prescribed format and according to a specific schedule. These reporting requirements and filing schedule comport with Part 47 Code of Federal Regulations (CFR) §§ 54.313¹ and 54.314², which provides that States that want the eligible telecommunications carriers (ETCs) within their jurisdiction to continue to receive the federal universal service high-cost support must file annual certification with the Federal Communication Commission (FCC) and the Universal Service Administrative Company (USAC) listing the eligible carriers and stating that the federal high-cost support provided to these carriers will be used only for the provision, maintenance, and upgrading of facilities and services for which the

¹ 47 CFR § 54.313 applies to non-rural ILECs and competitive ETCs serving local access lines in the service areas of the non-rural ILECs, which are eligible to receive federal universal service support pursuant to 47 CFR §§ 54.309 and/or 54.311.

² 47 CFR § 54.314 applies to rural ILECs and competitive ETCs serving local access lines in the service areas of the rural ETCS, which are eligible to receive federal universal service support under 47 CFR §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F.

support is intended. A filing schedule for these annual certifications was also provided.

Since the adoption of Resolution T-16566, the Commission has filed the required certification on behalf of the following ETCs:

Non-Rural ETCs

Roseville Telephone Company

Rural ETCs

Calaveras Telephone Company
Cal-Ore Telephone Company
Citizens Telecommunications Company of California, Inc.
Citizens Telecommunications Company of Golden State
Citizens Telecommunications Company of Tuolumne
Ducor Telephone Company
Evans Telephone Company
Foresthill Telephone Company
Happy Valley Telephone Company
Hornitos Telephone Company
Kerman Telephone Company
Pinnacles Telephone Company
The Ponderosa Telephone Company
Sierra Telephone Company
Siskiyou Telephone Company
The Volcano Telephone Company
Verizon West Coast Incorporated
Winterhaven Telephone Company
WWC License LLC

The FCC, on October 16, 2003, issued FCC 03-249, modifying the high-cost support mechanism for non-rural carriers and adopted measures to induce states to ensure reasonable comparability of rural and urban rates in areas served by non-rural carriers. Under this order, the expanded certification process requires that the state certify that the rates in rural areas served by non-rural carriers are reasonably comparable to a national urban rate benchmark. For this purpose, the FCC adopted a rate benchmark of two standard deviations above the average urban rate or 138% of the average urban rate.³ The rate benchmark will establish a “safe harbor”, a presumption that rates in rural, high-cost areas that are below the rate benchmark are reasonably comparable to urban rates nationwide. States with rural rates below the rate benchmark may certify that their rates are reasonably comparable without providing additional information, or

³ of \$32.38

rebut the presumption by demonstrating that factors other than basic service rates affect the comparability of their rates.

Discussion

In this Resolution, the Commission revises the advice letter format adopted in Resolution T-16566 and adopts an additional requirement for non-rural carriers eligible to receive federal universal high-cost support in filing their advice letter with the Commission. In addition to the information prescribed in Ordering Paragraph 1 of Resolution T-16566, the non-rural carriers will be required to provide their current basic residential rate as of the advice letter filing date. Rather than have two resolutions, one for rural carriers and one for non-rural carriers servicing rural areas, this Resolution supercedes Resolution T-16566 and consolidates the reporting requirements for both rural and non-rural carriers.

Thus, the reporting requirements for rural and non-rural ILECS and for competitive ETCs providing basic exchange access lines in the service areas of the rural and non-rural ILECs are revised as follows:

- Each telecommunications carrier eligible for federal universal service high-cost support must file an advice letter with the Commission including the following information:
 - a. Name of the carrier;
 - b. The carrier's Study Area Code;
 - c. Carrier type as designated by the FCC such as rural ILEC, non-rural ILEC, competitive ETC serving lines in the rural and /or non-rural service areas;
 - d. The applicable Code of Federal Regulations (CFR) section(s) for which the federal universal service high-cost support is provided;
 - e. The current basic residential rate excluding Extended Area Service (EAS) in the area they serve; and
 - f. A statement, under oath, that the federal universal service high-cost support provided to the carrier will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

The filing dates of the advice letter remain unchanged and continue to be:

- a. On or before September 15 if eligible for the federal universal service high-cost support for the first, second, third and fourth quarters of succeeding year.
- b. On or before December 15 if eligible for the federal universal service high-cost support for the second, third and fourth quarters of the succeeding year.
- c. On or before March 15 if eligible for the federal universal service high-cost support for the third and fourth quarters of that year.
- d. On or before June 15 if eligible for the federal universal service support for the fourth quarter of that year.

For simplicity, uniformity and ease of implementation, all ETCs, whether, rural or non-rural, are required to include in their annual advice letter filing the current basic residential service rates excluding Extended Area Service (EAS) in the areas they serve as shown the Appendix beginning October 1, 2004.

It is reiterated that carriers' books are subject to Commission audit and inspection at any time to ensure that the funds are used as certified. It is further reiterated that if a carrier eligible to receive federal universal service high-cost support fails to file the advice letter in a timely manner, the Commission is not responsible for any loss of support due to the Commission's filing of the certification with the FCC and the USAC at a later date.

Comments

In compliance with PU Code 311 (g), copies of a notice letter were mailed on April 6, 2004 to all ETCs, and parties on the service list of I. 95-01-021 informing these parties that this draft resolution is available at the Commission's website www.cpuc.ca.gov/static/industry/telco/resolutions/index.htm and is available for public comment. In addition, the Telecommunications Division (TD) informed these parties of the availability of the conformed resolution at the same website.

Comments filed on a timely basis will be addressed by the Telecommunications Division in this resolution.

Findings

1. Part 47 Code of Federal Regulations (CFR) §§ 54.313 and 54.314 direct that States that desire the eligible telecommunications carriers (ETCs) within their jurisdiction to continue to receive federal universal service high-cost support must file annual certifications with the Federal Communications Commission (FCC) and the

Universal Service Administrative Company (USAC) listing the eligible carriers and state that the federal high-cost support provided to these carriers will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

2. The FCC, on October 16, 2003, issued FCC 03-249, modifying the high-cost support mechanism for non-rural carriers and adopted measures to induce states to ensure reasonable comparability of rural and urban rates in areas served by non-rural carriers.
3. Under the FCC order, the expanded certification process requires that the state certify that the rates in rural areas served by non-rural carriers are reasonably comparable to a national urban rate benchmark.
4. The advice letter format adopted in Resolution T-16566 should be revised to conform to the new FCC order.
5. The reporting requirements for all rural and non-rural ILECs and for competitive ETCs providing basic exchange access lines in the service areas of the rural and non-rural ILECs should be revised.
6. The filing dates of the advice letter remain unchanged.
7. For simplicity, uniformity and ease of implementation, all ETCs, whether, rural or non-rural, should be required to include in their annual advice letter filing the current basic residential service rates excluding Extended Area Service (EAS) in the rural, high-cost areas they serve as shown the Appendix of this resolution.
8. The revised advice letter format as shown in the Appendix of this resolution should be used by the ETCs starting September 15, 2004.
9. Copies of a notice letter were mailed on April 6, 2004 to all ETCs, and parties on the service list of I. 95-01-021 informing these parties that this draft resolution is available at the Commission's website www.cpuc.ca.gov/static/industry/telco/resolutions/index.htm and is available for public comments.

THEREFORE, IT IS ORDERED that:

1. Commencing September 15, 2004, each telecommunications carrier eligible for federal universal service high-cost support must file an advice letter with the Commission including the following information:

- a. Name of the carrier;
 - b. The carrier's Study Area Code;
 - c. Carrier type as designated by the FCC such as rural ILEC, non-rural ILEC, competitive ETC serving lines in the rural and / or non-rural service areas;
 - d. The applicable Code of Federal Regulations (CFR) section(s) for which the federal universal service high-cost support is provided;
 - e. The current basic residential rate excluding Extended Area Service (EAS) in the area they serve; and
 - f. A statement, under oath, that the federal universal service high-cost support provided to the carrier will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.
2. The advice letter must follow the revised format attached as an Appendix of this Resolution.
3. The filing dates of the advice letter are:
 - a. On or before September 15 if eligible for the federal universal service high-cost support for the first, second, third and fourth quarters of succeeding year.
 - b. On or before December 15 if eligible for the federal universal service high-cost support for the second, third and fourth quarters of the succeeding year.
 - c. On or before March 15: if eligible for the federal universal service high-cost support for the third and fourth quarters of that year.
 - d. On or before June 15 if eligible for the federal universal service support for the fourth quarter of that year.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 6, 2004. The following Commissioners approved it:

WILLIAM AHERN
Executive Director

APPENDIX

Date

Company Code
Advice Letter No.

Director, Telecommunications Division
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

Re: Self-Certification of Eligibility to Receive Federal Universal Service Support in Compliance with Resolution T-xxxxx

Dear Sir:

This advice letter is a compliance filing in accordance with Resolution T-xxxxx. The purpose of this letter is to provide the California Public Utilities Commission with the following sworn statement:

[Name of Company], [Study Area Code] is a [carrier type designated by the Federal Communications Commission] eligible to receive federal universal service high-cost support pursuant to [applicable Code of Federal Regulations citation].

The current basic residential rate(s) excluding Extended Area Service (EAS) in [Name of Company]'s service area is / are [amount].

On behalf of [Name of Company], the undersigned declares under penalty of perjury under the laws of the State of California that federal high-cost support received by [Name of Company] will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Name of Person Signing

Title
Phone:
Email: