

**DRAFT****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division  
Public Programs Branch****RESOLUTION T- 17002  
April 13, 2006****R E S O L U T I O N****Resolution T-17002. Adopting comprehensive Procedures and Guidelines for Eligible Telecommunications Carrier Designation and Requirements for Eligible Telecommunications Carriers**

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**Summary**

In conformance with Federal Communications Commission Report and Order (FCC 05-46) in the Matter of Federal-State Joint Board on Universal Service (CC Docket No. 96-45), this resolution amends the procedures and guidelines for eligible telecommunications carriers (ETCs) designation set forth by the Commission in Resolution T-16086. Likewise, this resolution revises the reporting requirements for ETCs eligible to receive federal high-cost support adopted in Resolution T-16830 dated May 6, 2004. Resolutions T-16086 and T-16830 are superseded by this Resolution as of July 1, 2006. The Comprehensive Procedures and Guidelines for ETC Designation, attached as Appendix A, and the Comprehensive Reporting Requirements for ETCs Eligible to Receive Federal High-Cost Support, attached as Appendix B, are adopted and shall take effect on July 1, 2006.

**Background**

Resolution T-16086 established procedures and guidelines for designating ETCs pursuant to FCC 97-157. Resolution T-16830 established the reporting requirements for ETCs eligible to receive federal universal high-cost support pursuant to FCC 03-249.

In FCC 05-46 dated February 25, 2005, the FCC adopted additional mandatory requirements for ETC designation and ETC eligibility for federal universal high-cost support.<sup>1</sup> In the same order, the FCC encouraged states that exercise jurisdiction over

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<sup>1</sup> Section 214 (e) (6) directs the FCC to designate carriers when those carriers are not subject to the jurisdiction of a state commission.

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ETC designations pursuant to section (214 (e)(2) of the Communications Act, to adopt these requirements.<sup>2</sup>

## Discussion

The CPUC has asserted jurisdiction over ETC designations in California. To ensure that all public supports are used for their intended purposes, the additional requirements set forth in FCC 05-46 are reasonable. Therefore, in conformance with FCC 05-46, we revise our existing rules and adopt:

- Comprehensive Procedures and Guidelines for ETC Designation, attached as Appendix A; and
- Comprehensive Reporting Requirements for ETCs Eligible to Receive Federal High-Cost Support, attached as Appendix B

The Comprehensive Procedures and Guidelines for ETC Designation, attached as Appendix A and the Comprehensive Reporting Requirements for ETCs Eligible to Receive Federal High-Cost Support, attached as Appendix B, shall take effect on July 1, 2006.

This resolution supersedes Resolutions T-16086 and T-16830 as of July 1, 2006.

### **I. Procedures and Guidelines for Eligible Telecommunications Carrier Designation**

In Resolution T-16086, the Commission established procedures and guidelines for designating ETCs pursuant to FCC 97-157. FCC 05-46 expanded the ETC designation requirements to include submissions relating to:

- Commitment to provide service;
- Five-Year Service Quality Improvement Plan;
- Ability to Remain Functional;
- Consumer Protection;
- Local Usage; and
- Equal Access.

The Comprehensive Procedures and Guidelines for ETC Designation, attached as Appendix A, include existing procedures and guidelines for designating ETCs set forth in Resolution T-16086, and additional submissions pursuant to FCC 05-46.

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<sup>2</sup> Section 214 (e) (2) provides state commissions with the primary responsibility for designating ETCs.

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**II. Reporting Requirements for Eligible Telecommunications Carriers Eligible to Receive Federal High-Cost Support**

In Resolution T-16830, the Commission adopted reporting requirements for rural and non-rural Incumbent Local Exchange Carriers (ILECS) and competitive ETCs providing basic exchange access lines in the service areas of the rural and non-rural ILECS eligible for federal high-cost support pursuant to FCC 03-249. FCC 05-46 expanded the reporting requirement to include:

- A progress update on the Five-Year Service Quality Improvement Plan;
- Detailed information on outages in the ETC's network services;
- Number of unfulfilled requests for service from potential customers for the past year and the number of complaints per 1,000 handsets or lines;
- Coverage maps detailing the amount of high-cost support received for the past year and how monies were used to improve network; and
- Detailed explanation on unmet targets in Five-year Service Quality Improvement Plan.

The Comprehensive Reporting Requirements for ETCs Eligible to Receive Federal High-Cost Support, attached as Appendix B, include existing requirements set forth in Resolution T-16830 and additional requirements pursuant to FCC 05-46.

Existing ETCs, who have been designated prior to the effective date of this resolution, are required to comply with the new reporting requirements listed in Appendix A, Section II, when these carriers file advice letters certifying to their eligibility to receive federal high-cost support seeking federal universal high-cost support on or before September 15, 2006. This filing shall serve as baseline data for future advice letter filings made by these ETCs. Annually, thereafter, these ETCs are to comply with the reporting requirements as listed in Appendix B, Section II, of this resolution.

**III. Minor Procedural Change**

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 well as attach the required reports enumerated above as shown in the Appendix B, Section III.

It is stressed that carriers' books are subject to Commission audit and inspection at any time to ensure that the funds are used as certified. If a carrier eligible to receive federal universal service high-cost support fails to file the advice letter in a timely manner, the

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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), notice letters were e-mailed on March 14, 2006 to all telecommunications carriers, the California High Cost Fund A - Administrative Committee, and the parties of record in R.01-08-002 and A.99-09-044 informing these parties that this draft resolution is available at the Commission's website <http://www.cpuc.ca.gov/static/documents/index.htm> and is available for public comments. 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. The Commission is responsible for designating Eligible Telecommunications Carriers (ETCs) in California.
2. Carriers should satisfy the criteria established by Section 214(e) of the Act and set forth in the Federal Communications Commission (FCC) rules in order to be designated as ETC.
3. The FCC has adopted additional eligibility and reporting requirements for carriers seeking ETC designation and carriers already designated as ETCs in Federal Report and Order FCC 05-46 adopted on February 25, 2006.
4. The Commission should adopt the additional eligibility and reporting requirements by consolidating the previous eligibility and reporting requirements prescribed in Resolutions T-16086 and 16830 in a new Resolution, which will supersede Resolutions T-16086 and 16830.
5. The new comprehensive procedures and guidelines for ETC Designation, attached as Appendix A, and the new Comprehensive Reporting Requirements for ETCs to receive Federal High-Cost Support, attached as Appendix B, should be adopted and should take effect on July 1, 2006.

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6. Notice letters were e-mailed on March 14, 2006 to all telecommunications carriers, the California High Cost Fund-A Administrative Committee, and the parties of record in R.01-08-002 and A.99-09-044 informing these parties that this draft resolution is available at the Commission's website <http://www.cpuc.ca.gov/static/documents/index.htm> and is available for public comments. In addition, the Telecommunications Division (TD) informed these parties of the availability of the conformed resolution at the same website.
7. Comments filed on a timely basis will be addressed by TD in this resolution.

**THEREFORE, IT IS ORDERED that:**

1. Effective July 1, 2006, carriers seeking Eligible Telecommunications Carrier (ETC) designation must comply with the comprehensive procedures and guidelines for ETC Designation, attached as Appendix A, and the Comprehensive Reporting Requirements for ETCs to receive Federal High-Cost Support, attached as Appendix B.

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This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 13, 2006. The following Commissioners approved it:

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STEVE LARSON  
Executive Director

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# Appendix A

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**Comprehensive Procedures and Guidelines  
for  
Eligible Telecommunications Carrier Designation**

Each telecommunications carrier seeking eligible telecommunications carrier designation must file an advice letter with the Commission with the following information:

**Section I - Compliance with FCC 97-157**

- A) The service areas for which the carrier is requesting ETC designation including a List of Geographic Service Areas and map.
- B) An itemized list of the designated services to be provided, i.e.
  - ✓ Single party service;
  - ✓ Voice grade access to the public switched network;
  - ✓ Local usage;
  - ✓ Dual tone multi-frequency signaling or its functional equivalent;
  - ✓ Access to emergency services;
  - ✓ Access to operator services;
  - ✓ Access to interexchange services;
  - ✓ Access to directory assistance; and
  - ✓ Toll limitation for qualifying low-income consumers.
- C) A list of any services which the carrier proposes not to provide and for which the carrier is seeking an extension of time.
- D) An indication of whether the carrier plans to apply for a waiver of the requirement that an ETC not disconnect lifeline for non-payment of toll.
- E) A description of the carrier's advertising plan, indicating the advertising media to be used, and an explanation of how its plan meets the advertising requirement in section 214(e) of the Telecommunications Act.
- F) In the case of CMRS carriers, indicate in their self certification letters how federal Lifeline and Link Up rate reductions will be passed though to qualifying low-income consumers.
- G) If necessary, implement tariff changes via the advice letter filing process. This provision would not apply to carriers that are not required to maintain tariffs.
- H) If applicable, request additional time to perform network upgrades to provide single-party service, access to E911 service, and/or toll limitation to low income customers.



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**Section II - Compliance with FCC 05-46**

A) Commitment to Provide Service

An ETC applicant must demonstrate that it has the commitment and ability to provide supported services throughout the designated area by providing services to all requesting customers within its designated service area. Each applicant shall certify that it will:

1. provide service on a timely basis to requesting customers within the applicant's service area where the applicant's network already passes the potential customer's premises; and
2. provide service within a reasonable period of time, if the potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by:
  - a) modifying or replacing the requesting customer's equipment;
  - b) deploying a roof-mounted antenna or other equipment;
  - c) adjusting the nearest cell tower;
  - d) adjusting network or customer facilities;
  - e) reselling services from another carrier's facilities to provide service; or
  - f) employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment.

If the carrier determines that it cannot serve the customer using one or more of these methods, then the carrier must report the unfulfilled request within 30 days after making such determination.

B) Submission of Five-Year Service Quality Improvement Plan

In submitting a formal plan detailing how it will use universal service support to improve service within the service areas for which it seeks designation, an ETC must submit a five-year plan describing its proposed improvements or upgrades to the ETC's network on a wire center-by-wire center basis throughout its designated service area. The five-year plan must demonstrate in detail how high-cost support will be used for service improvements that would not otherwise be made without such support. This must include:

- 1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation;
- 2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support;

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- 3) the specific geographic areas where the improvements will be made; and
- 4) the estimated population that will be served as a result of the improvements.

To demonstrate that supported improvements in service will be made throughout the service area, carriers should provide this information for each wire center in each service area for which they expect to receive universal service support, or an explanation of why service improvements in a particular wire center are not needed and how funding will otherwise be used to further the provision of supported services in that area. Service quality improvements in the five-year plan do not necessarily require additional construction of network facilities.

C) Ability to Remain Functional

In order to be designated as an ETC, the carrier must demonstrate that it has a reasonable amount of back-up power to ensure functionality without an external back-up source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

D) Consumer Protection

The carrier seeking ETC designation should demonstrate its commitment to meet consumer protection and service quality standards in its application. Thus, an ETC applicant should report information on consumer complaints per 1,000 handsets or lines on an annual basis. Likewise, a carrier should commit to serve the entire service area and provide five-year network improvement plans addressing each wire center for which it expects to receive support.

E) Local Usage

The carrier should be able to demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which the carrier seeks designation.

F) Equal Access

The carrier should be able to provide equal access if all other ETCs in the service area relinquish their designations pursuant to section 214 (e) (4) of the Act.

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## **APPENDIX B**

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**Comprehensive Reporting Requirements  
for  
Eligible Telecommunications Carriers  
Eligible for Federal High-Cost Support**

Each telecommunications carrier eligible for federal universal service high-cost support must file an advice letter with the Commission with the following information:

**Section I - Compliance with FCC 03-249**

A. Carrier Information:

1. Name of the carrier;
2. The carrier's Study Area Code;
3. 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;
4. The applicable Code of Federal Regulations (CFR) section(s) for which the federal universal service high-cost support is provided;
5. The current basic residential rate excluding Extended Area Service (EAS) in the area they serve; and
6. 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.

B. Basic Residential Service Rate:

All ETCs, whether, rural or non-rural, are required to include in their current basic residential service rates excluding Extended Area Service (EAS) in the areas they serve.

C. Filing Dates:

1. 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.
2. 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.
3. On or before March 15 if eligible for the federal universal service high-cost support for the third and fourth quarters of that year.
4. On or before June 15 if eligible for the federal universal service support for the fourth quarter of that year.

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**Section II - Compliance with FCC 05-46**

- A. A progress update on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting its five-year improvement plan, explanations of how much universal service support was received and how the support was used to improve service quality in each wire center for which designation was obtained, and an explanation of why any network improvement targets have not been met.
- B. Detailed information on outages in the ETC's network caused by emergencies, including the date and time of onset of the outage, a brief description of the outage, the particular services affected by the outage, the geographic areas affected by the outage, and steps taken to prevent a similar outage situation in the future. And,
- C. Information on the number of unfulfilled requests for service from potential customers for the past year and the number of complaints per 1,000 handsets or lines.
- D. Coverage maps detailing ETC's amount of high-cost support received for the past year, how these monies were used to improve its network, and specifically where signal strength, coverage, or capacity has been improved in each wire center in each service area for which funding was received.
- E. If applicable, a detailed explanation regarding why any targets established in the ETC's five-year improvement plan have not been met.

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**Section III - Sample Advice Letter**

Date

Company  
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-17002

Dear Sir:

This advice letter is a compliance filing in accordance with Resolution T-17002. 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.

\_\_\_\_\_  
Print Name of Signatory  
Title  
Phone:  
Email:

- Attachments:
1. Progress Updates on Five-Year Service Quality Improvement Plan
  2. Detailed Information on Outages in the ETC's Network Services
  3. Number of Unfulfilled Requests for Service from Potential Customers for the Past Year and the Number of Complaints per 1,000 Handsets or Lines
  5. Coverage Maps Detailing the Amount of High-Cost Support Received for the Past Year, and How Monies were Used to Improve Network
  6. Detailed Explanation on Unmet Targets in Five-Year Improvement Plan