

Agenda Date: July 26, 2002
Item Numbers: A2 and A3

Docket: **UT-013058 - Staff Investigation of the Disaggregation and Targeting of Federal Universal Service Support Pursuant to 47 CFR § 54.315**

Company Names: Asotin Telephone Company, CenturyTel of Cowiche, Ellensburg Telephone Company, Inland Telephone Company, Kalama Telephone Company, Lewis River Telephone Company, McDaniel Telephone Company, The Toledo Telephone Company, United Telephone Company, Western Wahkiakum County Telephone Company, Hat Island Telephone Company, Hood Canal Telephone Company, Inc., Mashell Telecom, Inc., Pend Oreille Telephone Company, Pioneer Telephone Company, St. John Telephone & Telegraph Company, Tenino Telephone Company, Whidbey Telephone Company, and YCOM Networks.

Docket: **UT-023020**
Companies: CenturyTel of Washington, Inc.,
and CenturyTel of Inter Island, Inc. (*collectively CenturyTel*)

Staff: Bob Shirley, Telecommunications Policy Analyst
Tim Zawislak, Telecommunications Analyst

Recommendation:

Reject the previously received filings by CenturyTel and TDS Asotin and direct all companies listed above in both dockets to file Path 2 Petitions with this Commission not later than August 23, 2002. Direct companies to file federal universal service disaggregation petitions according to the methodology outlined in the body of this memo and consistent with Attachments 1 - 5 of the staff memo; and direct companies to provide .shp maps of their exchanges.

Background:

This issue was discussed at the Commission's June 26, 2002, Open Meeting that was continued until July 8, 2002. At that time the Commissioners gave the companies and Staff guidance and encouraged them to work together to arrive at a solution that would disaggregate federal universal service support at the exchange level with a methodology that insures each rural incumbent local exchange company receives 100 percent of the amount based on the National Exchange Carrier Association (NECA) determination of annual federal support.

Staff has developed and provided to each company a spreadsheet that, when company-specific information concerning annual support and line counts¹ are inserted, will insure recovery of 100 percent² recovery of federal universal service support and disaggregate support at the exchange level³ based upon the material supplied to the Federal Communications Commission (FCC) in the Joint Petition of the Commission and the rural ILECs in 1998.⁴ Staff will provide to each company a spreadsheet that contains all the necessary information (exchange name and 1998 disaggregation factors) so that companies can make the required Path 2 filings without the effort required to develop a spreadsheet.

The map requirement will simplify fulfillment of the FCC's requirement that competitors locate the billing address of each customer within an exchange as part of the process to receive support based on underlying rural ILEC support amounts. The format, .shp, can be produced by a variety of software programs, including AutoCAD MAP, ARCVIEW, and ARCInfo. There are several vendors available to companies, including the services of the Department of Ecology. One company has estimated production time at two to three hours per map; Staff at the Commission have produced similar maps (for solid waste service areas) in as little as 30 minutes. Neither period of time results in a cost that is large. Because the annual amount of support for rural ILECS is over \$40 million dollars, Staff believes that requiring .shp maps is well within reason.⁵

Representatives of rural ILECs asked Staff to consider producing the .shp maps from the tariff maps on file with the Commission rather than have companies prepare the maps. Because the primary purpose of having .shp maps is so that competitors can determine through electronic means the locations of customers, Staff believes it would be better if for rural ILECs to prepare the maps. Staff does not consider it would be productive for the Commission to be an unnecessary intermediary, as would be the case if the Commission produced the maps. Additionally, rural ILECs would likely find it is more

¹ The outstanding issue at the time this memo was filed was whether the disaggregation of support should be based upon lines or loops. Staff indicated to representatives of rural ILECs that Staff's concern is for consistency and asked rural ILECs to recommend either lines or loops with the intention of recommending to the Commission that all companies be required to use either lines or loops as recommended by rural ILECs.

² In some cases, there may be a rounding error of approximately one one-hundredth of a percent.

³ Companies with a single exchange study area will need to file in accordance with these recommendation in order to maintain consistency between ETC designations at the exchange level and disaggregation of support. As explained below, the filing requirement is minimal, with most material supplied by the Staff to companies.

⁴ See Docket No. UT-970380.

⁵ Staff has proposed in Docket UT-023040, Petition of Inland Cellular for ETC Designation, that it be required to provide .shp maps of its service areas, and Staff anticipates requesting the same from RCC Minnesota. As Staff works with Verizon and Sprint-United on disaggregation of the newly available federal IAS support, Staff will raise preparation of .shp files as a part of that process.

time consuming to check the work of Staff than to be responsible for production of the original .shp file.

Process

Staff believes that the entire filing by companies need consist of no more than a cover letter, an electronic and a printed copy of the company specific spreadsheet (that will be supplied by Staff to each company), a set of instruction for use of the spreadsheet (a draft of which has been supplied by Staff to companies), and a copy of the initial output from the spreadsheet after insertion of company-specific universal service amounts and December 31, 2001 line or loop counts. Copies of this material must also be sent to Universal Service Administration Company (USAC).

Once filed, the Commission will need to issue orders accepting the filings, and both companies and the Commission will forward those orders to USAC. Staff anticipates the methodology will be put into use in the quarter beginning October 1, 2002, or as soon thereafter as USAC is prepared to implement this Commission's decision.

Summary

Over two months, rural ILEC representatives, a representative of United States Cellular Corporation, and Staff have produced a fair, easy to file and easy to use, methodology for disaggregation of federal universal service support at the exchange level. The Commission should direct companies to make the appropriate Path 2 filings not later than August 23, 2002, with .shp maps.

Attachments (5)