COLR & Section 214(e)

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Carrier of Last Resort (COLR)

- In comments, COLR generally refers to state requirements for a carrier to:
  - serve all customers within its territory; and/or
  - construct facilities (for a fee) to serve a customer within its territory.
- COLR requirements are only relevant when a carrier would not otherwise extend service to a particular location.

COLR Is Not An ETC Designation Requirement

- Two ETCs can serve every customer without building complete, parallel networks.
  - An ETC can provide service using its own facilities, or its own facilities in combination with resale. 47 U.S.C. § 214(e)(1)(A)
  - An ETC cannot provide service solely through resale, but it also cannot be required to provide service solely using its own facilities.

Exit, Not Entry, Triggers COLR

- Under 214(e)(4), CETCs are not required to construct or procure facilities for COLR until *one year* after the ILEC's exit, so COLR cannot be a pre-condition of ETC status.
- CETCs accept that they *might* be the COLR at some future date – but not immediately.
- Immediate COLR obligations provide no additional consumer protection and erect a classic barrier to entry.

GCI’s COLR Proposal

- GCI has submitted a COLR proposal to the Regulatory Commission of Alaska.
  - CETCs would share the obligation to extend facilities to new, unserved customers.
  - Obligation could be met through capital contribution to another ETC.
  - Obligation is triggered when the CETC serves 35 percent of the lines in a study area through its own facilities or UNEs.

GCI’s COLR Proposal: Benefits

- GCI’s approach is competitively neutral and doesn’t skew investment incentives.
  - ILEC and CETC build facilities when it’s economic, and use UNEs when it’s not.
- GCI’s approach doesn’t erect entry barriers.
  - COLR is triggered when the CETC has substantial market share, not as a condition of ETC designation.