ORDER NO. 08-481

ENTERED 09/24/08

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1375

In the Matter of	)	
	)	
THE PUBLIC UTILITY COMMISSION OF OREGON	)	ORDER
	)	
2008 Annual Recertification of Eligible Telecommunications Carriers (ETCs).	)	

DISPOSITION: ELIGIBLE TELECOMMUNICATIONS CARRIERS CERTIFIED TO RECEIVE FEDERAL UNIVERSAL SERVICE HIGH COST FUND SUPPORT;

BASIC SERVICE RATES CHARGED BY NON-RURAL LOCAL EXCHANGE CARRIERS IN RURAL AREAS CERTIFIED TO BE COMPARABLE TO A NATIONAL URBAN BENCHMARK; AND

ANNUAL RECERTIFICATION FILINGS ACCEPTED.

ELIGIBLE TELECOMMUNICATIONS CARRIERS

Section 214 (e)(2) of the Telecommunications Act of 1996 (the Act), provides that a state commission shall designate those common carriers eligible to receive universal service support (USF) in accordance with Section 254 of the Act. Section 254 (e) of the Act provides, in part, as follows:

> (e) Universal Service Support.—After the date on which Commission regulations implementing this section take effect, only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support.

The Public Utility Commission of Oregon (Commission) first exercised this authority on December 2, 1997, when it designated 34 incumbent local exchange carriers (ILECs) as eligible for federal USF support. *See* Order No. 97-481. On June 24, 2004, the Commission designated two Commercial Mobile Radio Service (CMRS) carriers, RCC Minnesota, Inc., and United States Cellular Corporation (US Cellular), as authorized to receive federal USF support. *See* Orders No. 04-355 and 04-356. On August 29, 2005, the Commission designated a third CMRS carrier, Edge Wireless, LLC, as a carrier authorized to receive federal USF support. *See* Order No. 05-965.

The Commission also designated two other carriers, VCI Company and Wantel, as eligible to receive federal USF support, but only in non-rural ILEC areas. *See* Order No. 03-749 and Order No. 05-856. In docket UM 1306, the Commission designated Eagle Telephone System, Inc., dba Snake River PCS; and in docket UM 1253 designated AT&T Mobility LLC, fka Cingular Wireless, LLC as ETCs. *See* Order No. 07-103 and Order No. 07-111, respectively.

Pursuant to 47 CFR §54.314, a state that desires eligible telecommunications carriers within its jurisdiction to receive federal universal service support in rural areas must file an annual Certification with the USF Administrator and the Federal Communications Commission (FCC) "stating that all federal high-cost support provided to such carriers within the state will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." 47 CFR §54.314, subsection (c), sets the requirements for the format of the Certification.

In compliance with those federal requirements, the Commission certified the eligibility of Oregon's designated telecommunications carriers at public meetings in 2001 (Order No. 01-819), 2002 (Order No. 02-605), 2003 (Order No. 03-551), 2004 (Order No. 04-532), 2005 (Order No. 05-1049), 2006 (Order No. 06-537) and 2007 (Order No. 07-420). This Order addresses eligibility certification for 2008.

In certifications prior to 2006, the Commission relied on affidavits provided by corporate officers of the eligible telecommunications carriers (ETCs) that attested to their use of federal USF high cost funds. While such affidavits were required for recertification this year as well, the Commission adopted additional requirements in Order No. 06-292. This is the third annual certification that employs the new requirements.

Carriers filed annual recertification reports for 2006 under docket UM 1217, the docket that established annual reporting requirements. Carriers filed annual recertification reports for 2007 under docket UM 1310. At Staff's request, the Commission opened a new docket, UM 1375, to facilitate submission and processing of reports for 2008 recertification. All ETCs submitted the required filings, including affidavits attesting to the use of support funds for the intended purposes. Based on this information, and because the continued receipt of federal USF high cost support is vital to maintaining reasonable basic service rates in these rural service areas, Staff recommends the Commission certify that the ETCs are authorized to receive federal USF high cost support pursuant to 47 C.F.R. §54.314, but conditioning RCC Minnesota, Inc.'s certification on the Company's agreement to meet with Staff during the first quarter of 2009 to discuss customer transition plans. Staff also recommends that the Commission accept the 2008 annual recertification filings submitted by all ETCs, rural and non-rural, in compliance with Order No. 06-292. A complete description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

The Commission adopted Staff's recommendations at its Public Meeting on September 23, 2008. The Staff Report, which includes a list of the 37 carriers certified to be eligible to receive federal high cost support pursuant to 47 C.F.R. § 54.314, is attached to this Order as Appendix A and incorporated by reference. Staff will continue to monitor the performance of all ETCs and reserves the right to bring any concerns it may have to the Commission at a later date.

RURAL TO URBAN BASIC SERVICE RATE COMPARABILITY

47 CFR §54.316 requires each state to annually review the comparability of residential rates in rural areas served by non-rural incumbent local exchange carriers (ILECs) to urban rates nationwide, and to certify to the USF Administrator and the FCC as to whether the rates are reasonably comparable. This determination is made by comparing basic service rates charged by non-rural ILECs in their rural service areas to a national average benchmark for urban basic service rates determined by the FCC.

In compliance with this federal requirement, Staff conducted an analysis of the basic service rates charged by Oregon's non-rural ILECs, Qwest and Verizon, in their rural service territories. Staff's analysis indicates that in many rural exchanges, Qwest and Verizon charge basic service rates below the current national average urban benchmark of $25.62 as calculated by the FCC. In all cases, basic service rates charged by Qwest and Verizon in rural exchanges are significantly below the FCC's current "safe harbor" rate of $36.52 per line per month.

We addressed the rural to urban basic service rate comparability matter at our Public Meeting on September 23, 2008, and adopted Staff's recommendation to certify that the basic service rates charged by Oregon's non-rural ILECs in their rural service areas are comparable to basic service rates charged in urban areas. A summary of basic service rates charged by Qwest and Verizon in each rural Oregon County where they provide service is set forth in Exhibit B to Appendix A.

CONCLUSIONS

The telecommunications carriers, listed in Exhibit A of the Staff Report, are qualified for annual certification as telecommunications carriers eligible to receive federal universal service high cost support. The basic service rates charged by non-rural ILECs and CETCs in their rural service areas are certified to be comparable to urban rates. The 2008 annual recertification filings of all ETCs are accepted.

ORDER

IT IS ORDERED that:

1. The rural telecommunications carriers listed in Exhibit A to the Staff Report are certified as telecommunications carriers eligible to receive federal universal service support pursuant to 47 C.F.R. § 54.314 with RCC Minnesota, Inc.'s certification conditioned to require a meeting with Commission Staff as discussed in Staff's Report attached as Appendix A;

2. We certify that the basic service rates charged by non-rural ILECs in their rural service areas, as summarized in Exhibit B of the Staff Report, are reasonably comparable to urban basic service rates nationwide pursuant to 47 C.F.R. § 54.316; and

3. We accept the 2008 annual recertification filings of all eligible telecommunications carriers currently designated in Oregon.

Made, entered, and effective SEP 24 2008.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
Commissioner

A party may request rehearing or reconsideration of this order pursuant to 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 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 23, 2008

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: September 16, 2008

TO: Public Utility Commission

FROM: Kay Marinos KM

THROUGH: Lee Sparling and Bryan Conway BAC

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1375) 2008 Annual Recertification of Eligible Telecommunication Carriers.

STAFF RECOMMENDATION:

Staff recommends that the Commission:

1. Certify that the rural incumbent local exchange carriers (ILECs) and the competitive eligible telecommunications carriers (CETCs), listed in Exhibit A to this report, are authorized to receive federal Universal Service Fund (USF) high cost support pursuant to 47 C.F.R. § 54.314, but condition the certification of RCC Minnesota, Inc. on the company's agreement to meet with Staff during the first quarter of 2009 to discuss customer transition plans;

2. Accept the 2008 annual recertification filings of all eligible telecommunications carriers (ETCs); and

3. Certify that the basic service rates charged by non-rural ILECs in their rural service areas, as summarized in Exhibit B to this report, are reasonably comparable to urban basic service rates nationwide pursuant to 47 C.F.R. § 54.316.

DISCUSSION:

A. Certification of Rural ILECs and CETCs

Section 214(e)(2) of the Telecommunications Act of 1996 (Act) authorizes state public utility commissions to designate telecommunications carriers eligible to receive federal USF high cost support. The Commission first exercised this authority in December 1997 when it designated Oregon's ILECs as ETCs.[1] Since then, the Commission has designated five wireless carriers operating in various service areas of rural and non-rural ILECs as CETCs authorized to receive federal USF high cost support.[2] The Commission also designated one non-ILEC wireline carrier as a CETC in the service areas of Qwest Corporation (Qwest), and another in the service areas of Qwest and Verizon Northwest Inc. (Verizon).[3] Last year, one of these wireline CETCs relinquished its designation.[4]

Section 54.314 of the FCC rules requires state public utility commissions to annually certify that rural ILEC ETCs, and CETCs operating in the service areas of rural ILECs, are using their federal USF support in compliance with Section 254(e) of the Act. That section of the Act requires that federal USF high cost support be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission must provide this annual certification to the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC) by October 1st of each year in order for the rural ETCs to continue receiving high cost support.

From 2001 through 2005, this annual certification (also referred to as "recertification") was achieved by requiring the corporate officers of rural ILECs and CETCs to provide a sworn affidavit attesting to their use of federal USF high cost funds.[5] While the requirement to provide such affidavits continues,

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[1] *See* Order No. 97-481, Docket UM 873.

[2] *See* Order No. 04-355 in Docket UM 1083 designating RCC Minnesota, Inc.; Order No. 04-356 in Docket UM 1084 designating US Cellular Corporation; Order No. 05-965 in Docket UM 1177 designating Edge Wireless, LLC; Order No. 07-103 in Docket UM 1306 designating Eagle Telephone System, Inc., dba Snake River PCS; and Order No. 07-111 in Docket UM 1253 designating AT&T Mobility LLC fka Cingular Wireless, LLC.

[3] *See* Order No. 03-749 in Docket UM 1107 designating Stan Efferding, dba VCI Company, and Order No. 05-856 in Docket UM 1202 designating Comspan Communications, Inc. fka Wantel Inc.

[4] *See* Order No. 07-027 in Docket UM 1107(1) approving the request of VCI Company fka Stan Efferding, dba Vilaire, to relinquish its ETC status.

additional requirements for recertification were adopted by the Commission in Docket UM 1217, Order No. 06-292, entered on June 13, 2006. This is the third annual recertification that employs the new requirements adopted in this order.

To meet the annual recertification requirements, each ETC must formally file specific information designed to demonstrate that the ETC: offers the supported services; will provide, and advertise, the supported services throughout its designated service area; offers and advertises low-income services (Lifeline, Link Up, and OTAP); is able to remain functional in emergencies; is committed to service quality and consumer protection; and uses support funds for their intended purposes. The required reports are generally comparable for all ETCs, with one significant exception. CETCs that receive high cost universal service support must submit a network improvement plan explaining how they used support funds in the previous year and how they will use support funds in the coming two years. For reasons explained in the Order, ILEC ETCs are not required to submit such plans.

Carriers filed annual recertification reports for this year under Docket UM 1375. Per Order No. 06-292, recertification reports are due each year on July 15. All ETCs met the filing deadline this year. Staff reviewed each carrier's report for completeness, and contacted any companies that submitted incomplete or apparently erroneous reports. All such reports were re-filed to correct errors and achieve completeness. Staff expressed concern to AT&T Mobility about the low rate of subscribership in the Lifeline/OTAP low-income program shown in one of its reports. AT&T Mobility responded that it has been investigating possible causes and is committed to continue working with OTAP personnel to promote increased participation in the program.

Staff also reviewed the network improvement plans of each CETC to verify that: 1) support funds received in 2007 were spent as planned, and 2) projects planned for 2008 and 2009 represent appropriate use of support funds. Staff held discussions with each CETC regarding the details of their network improvement plans. As the CETCs have become more accustomed to filing these plans, only a few minor revisions were needed. A much larger challenge this year is the uncertainty surrounding the federal USF program as a whole. First, following the recommendation of the Federal-State Joint Board on Universal Service, the FCC capped total CETC support for each state at the March 2008 level, effective August 1, 2008.[6] Presently, Staff does not know the

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[5] *See* PUC Orders 01-819, 02-605, 03-551, 04-532, and 05-1049 in Docket UM 873.

[6] *See High Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order, FCC 08-122 (released May 1, 2008).

exact dollar amount of the CETC cap for Oregon as USAC, the only entity able to calculate it, has not released the information. The uncertainty of available funding is compounded by the FCC's imposition of earlier caps on AT&T Mobility's support tied to its acquisitions of Dobson Communications and Edge Wireless.[7] AT&T Mobility has yet to learn the support amounts associated with those caps and may have to return funds it previously received when USAC finalizes those calculations. Second, the FCC has issued several Notices of Proposed Rulemaking in which it tentatively proposed several USF reform measures.[8] Each proposal would radically change the nature of the current funding mechanisms for CETCs. In its order implementing the interim CETC cap, the FCC noted that it intends to complete a final order on comprehensive reform as quickly as possible after the comment cycles on the reform notices end. The comment cycles ended on June 2, 2008, and the FCC has not issued a final order to date.

Furthermore, within the past year, two of Oregon's CETCs were acquired by other companies. First, Edge Wireless was acquired by AT&T Mobility on April 18, 2008.[9] Both carriers held ETC designation in Oregon at the time of the acquisition. AT&T Mobility sent a letter to Staff on July 3, 2008, stating its desire to retain ETC status in the Edge Wireless designated service area, and committing to meet all ETC obligations in that area. For this year's annual certification process, AT&T Mobility submitted annual recertification reports, including network improvement plans, for the Edge Wireless area. Staff supports recertification of Edge Wireless based on these reports.

Second, the FCC approved the acquisition of RCC Minnesota, Inc. (RCC) by Cellco Partnership dba Verizon Wireless on August 7, 2008.[10] RCC submitted its annual recertification reports in July, including a network improvement plan, prior to the acquisition date. After FCC approval of the acquisition, Staff questioned RCC personnel regarding continuation of RCC's ETC status in Oregon. Staff's

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[7] *See Applications of AT&T Inc. and Dobson Communications Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No, 07-153, Memorandum Opinion and Order, FCC 07-196 (released November 19, 2007). See footnote 9 below for cite regarding the Edge Wireless acquisition.

[8] *See High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Notices of Proposed Rulemaking on Joint Board Comprehensive Reform, Identical Support Rule, and Reverse Auctions (2008).

[9] *See FCC Public Notice Wireless Telecommunications Bureau Assignment of License Authorization Applications, Transfer of Control of Licensee Applications, Etc.*, Report No. 4002 dated April 16, 2008.

[10] *See Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation*, WT Docket No. 07-208, Memorandum, Opinion and Order and Declaratory Ruling (released August 1, 2008).

questions were addressed in a letter on September 5, 2008, from Mark Smith, the company executive authorized to address ETC matters post-acquisition. In the letter, RCC requested continuation of its ETC status and committed to meeting all requirements of ETC status in Oregon. However, because the acquisition was finalized less than two months ago, RCC has not had time to fully develop a plan to transition RCC customers from its Unicel brand to Verizon Wireless service offerings. The company expects to be able to share more information in the early part of 2009. Although Verizon Wireless is a very large carrier, it has not previously received full CETC designation anywhere on the US mainland and has little experience participating in the Lifeline low-income program. Staff is concerned that it has little information to assess the impacts that a transition may have on RCC's current customers, particularly those receiving Lifeline discounts. For this reason, Staff recommends that the Commission recertify RCC with the condition that RCC agrees to meet with Staff to discuss the company's transition plan during the first quarter of 2009. In his letter to Staff, Mr. Smith stated that RCC agrees to this condition.

Based on the information contained in the filed reports, including signed affidavits attesting to the use of support funds for the intended purposes, and because the continued receipt of federal USF high cost support is vital to maintaining reasonable basic service rates in the service areas of rural ILECs,[11] Staff recommends that the Commission certify that the rural ILEC ETCs, and the CETCs designated in rural ILEC areas, listed in Exhibit A to this memo, are authorized to receive federal USF high cost support pursuant to 47 C.F.R. § 54.314. Staff recommends that RCC's certification be conditional as explained above.

B. Review of 2008 Annual Recertification Reports

In Section A. of this memo, Staff discussed the annual recertification reports of the rural ILEC ETCs and CETCs designated in rural ILEC service areas. These are the carriers the Commission must certify annually to the FCC. Order No. 06-292 also requires another group of ETCs -- the non-rural carriers -- to submit annual ETC reports. In Oregon, there are two non-rural ILEC ETCs -- Qwest and Verizon. There is also one CETC, Comspan Communications, Inc. fka Wantel, Inc. (Comspan), designated only in non-rural ILEC service areas. The Commission is not required to recertify Qwest, Verizon, and Comspan to the

[11] Oregon's rural ILECs will receive approximately $50 million from federal USF high cost support programs in 2008. Federal USF high cost support programs are: high cost loop support; local switching support; long-term support; interstate access support; and interstate common line support.

FCC each year because they do not receive rural high cost support. These three carriers receive only Interstate Access Support (IAS) and low-income support, for which they recertify directly to the FCC and USAC each year. Staff has verified that each carrier has already submitted affidavits to meet this year's FCC recertification requirements for these types of support.

Although these ETCs certify directly to the FCC each year without Commission action, Order No. 06-292 requires these ETCs to submit annual reports to the Commission in order to provide evidence that they are fulfilling their universal service obligations. If the Commission finds that any ETC is not fulfilling all its universal service obligations, the Commission may revoke that ETC's certification, thereby prohibiting it from receiving any kind of federal universal service support. Based on review of the information that Qwest, Verizon, and Comspan have submitted in their annual reports, Staff sees no reason for the Commission to consider revocation of any of these carriers' ETC status at this time.

C. Certification of Non-Rural ILEC Rates in Rural Service Areas

In October 2003, the FCC issued Order No. 03-249, which added Section 54.316 to the FCC rules.[12] This section requires state public utility commissions to certify that the basic service rates charged by non-rural ILECs in their rural service areas are reasonably comparable to urban rates nationwide. This determination is made by comparing the basic service rates charged by non-rural ILECs in their rural service areas to a national average benchmark for urban basic service rates as calculated by the FCC. For purposes of this comparison, the FCC has specified a "safe harbor" mechanism which allows non-rural basic service rates to be presumed reasonable if they are less than two standard deviations above the national average urban benchmark. For example, the FCC's most recently calculated national average rate for basic service in urban areas is $25.62.[13] The rate two standard deviations above this benchmark is $36.52. States with non-rural ILEC rates below $36.52 in their rural service areas are presumed to have basic service rates reasonably comparable to those charged in urban areas. States with non-rural ILEC rates that equal or exceed

[12] *See In the Matter of Federal-State Joint Board on Universal Service*, Order on Remand, FNPRM, and MO&O, CC Docket 96-45 (released Oct. 27, 2003).

[13] The FCC annually calculates this national average benchmark in a publication entitled, "*Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service.*" The rates for this year's certification are taken from Table 1.13 of the 2008 edition.

$36.52 in rural areas must explain to the FCC why such rural and urban rate differentials are reasonable.

Failure to provide this annual certification to the FCC and USAC by October 1st of each year will prevent non-rural ETCs in Oregon from receiving federal forward-looking high cost fund support, also called High Cost Model support. Qwest Corporation (Qwest) and Verizon Northwest Inc. (Verizon) are the only two non-rural ILECs in the state of Oregon. However, as is the case with non-rural ILECs in 40 of the 50 states, neither Qwest nor Verizon receives federal High Cost Model support despite the fact that they both provide service in high cost rural areas. The lack of federal support for these carriers emphasizes the importance of the Oregon Universal Service Fund (OUSF), which was designed to achieve the comparability between rural and urban rates mandated by Section 254(b) of the Act.[14] Because no federal High Cost Model support is available to Qwest and Verizon, the OUSF currently distributes approximately $3.2 million per month to subsidize the basic service rates of these carriers in their high cost rural service territories.

Although neither Qwest nor Verizon receive federal High Cost Model support in Oregon, submitting the required demonstration will help the FCC to insure that federal and state universal service funding mechanisms are sufficient to meet the objectives of Section 254(b) of the Act, which provides that consumers in rural, insular and high cost areas should have access to telecommunications services at rates that are "reasonably comparable" to rates charged for similar services in urban areas.

This is the fifth year the rate comparison is being submitted to the FCC. This year's comparison utilizes the same methodology as in past years.

Exhibit B to this report summarizes the basic service rates charged by Qwest and Verizon in each rural Oregon county where they provide service.[15] Consistent with the methodology used by the FCC to calculate the national urban benchmark, the basic service rates calculated for Qwest and Verizon for this

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[14] The FCC's regulations concerning whether an ILEC is considered to be "rural" or "non-rural" are somewhat arcane. Basically, an ILEC is considered to be a rural company if it serves less than 100,000 access lines in a single study area. By default, Qwest and Verizon are the only non-rural ILECs in Oregon.

[15] The FCC requires state commissions to follow guidelines issued by the federal Office of Management and Budget (OMB) which publishes, and routinely updates, a list of metropolitan statistical areas in the United States. Pursuant to the OMB's methodology, any county which does not include a metropolitan statistical area is considered to be rural. Under this definition, only 10 of Oregon's 36 counties are considered to be non-rural.

analysis include charges for the following: flat rate service, extended area service, federal Subscriber Line Charge, Oregon Residential Service Protection Fund surcharge, E911 surcharge, city and county franchise fees, miscellaneous taxes, Oregon PUC fee assessment, Oregon Universal Service Fund surcharge, federal excise tax, and federal Universal Service Fund surcharge. Pursuant to section 54.316(d) of the FCC rules, the basic service rates are those for July 1, 2008.

As illustrated in Exhibit B, Qwest's basic service rates in rural Oregon counties range from $23.86 to $27.08 per month. Verizon's basic service rates in rural Oregon counties range from $22.09 to $28.69. All of these basic service rates are significantly below the safe harbor threshold of $36.52 set by the FCC, and many are below the national average urban benchmark of $25.62. Therefore, pursuant to Section 54.316 of the FCC rules, they are presumed reasonably comparable to urban basic service rates nationwide and the Commission is not required to provide any additional explanations or analysis to the FCC or USAC.

PROPOSED COMMISSION MOTION:

An order be issued in Docket UM 1375:

1. Certifying that the rural ILECs and CETCs listed in Exhibit A are authorized to receive federal universal service high cost support pursuant to 47 C.F.R. § 54.314, but conditioning RCC Minnesota, Inc.'s certification on the company's agreement to meet with Staff during the first quarter of 2009 to discuss customer transition plans;

2. Accepting the 2008 annual recertification filings of all ETCs currently designated in Oregon; and

3. Certifying that the basic service rates charged by Oregon's non-rural ILECs in their rural service areas are reasonably comparable to urban basic service rates nationwide pursuant to 47 C.F.R. § 54.316.

Exhibit A
Eligible Telecommunications Carriers (Oregon Rural ILECs and CETCs) Certified to Receive Federal Universal Service Fund High Cost Support

	Company	USAC Study Area Code
1	Asotin Telephone Company	532404
2	Beaver Creek Cooperative Telephone Co.	532359
3	Canby Telephone Association	532362
4	Cascade Utilities, Inc.	532371
5	CenturyTel of Oregon, Inc.	532361
6	CenturyTel of Eastern Oregon, Inc.	532361
7	Citizens Telephone Co. of Oregon, Inc.	533401
8	Clear Creek Mutual Telephone Company	532363
9	Colton Telephone Company	532364
10	Eagle Telephone System, Inc.	532369
11	Gervais Telephone Co.	532373
12	Helix Telephone Company	532376
13	Home Telephone Company	532377
14	Malheur Home Telephone Company	532456
15	Midvale Telephone Exchange Inc.	532226
16	Molalla Communications Company	532383
17	Monitor Cooperative Telephone Company	532384
18	Monroe Telephone Company	532385
19	Mt. Angel Telephone Company	532386
20	Nehalem Telecommunications, Inc.	532387
21	North-State Telephone Company	532388
22	Oregon-Idaho Utilities, Inc.	532390
23	Oregon Telephone Corporation	532389
24	People's Telephone Company	532391
25	Pine Telephone System, Inc.	532392
26	Pioneer Telephone Cooperative	532393
27	Roome Telecommunications, Inc.	532375
28	Scio Mutual Telephone Association	532397
29	Stayton Cooperative Telephone Company	532399
30	United Telephone Co. of the Northwest	532400
31	St. Paul Cooperative Telephone Association	532396
32	Trans-Cascades Telephone Company	532378
33	RCC Minnesota Inc.	539001
34	United States Cellular Corporation	539002
35	Edge Wireless, LLC	539004
36	Eagle Telephone System, Inc. dba Snake River PCS	539007
37	AT&T Mobility LLC fka Cingular Wireless, LLC	539006

Exhibit B
Summary of Non-Rural ILEC Basic Service Rates in Rural Oregon Counties

Qwest Exchange	Rural County	Monthly Rate	Verizon Exchange	Rural County	Monthly Rate
Baker City	Baker	$ 24.25	Bandon	Coos	$ 28.15
Sumpter	Baker	$ 23.86	Coos Bay-N. Bend	Coos	$ 24.95
Astoria	Clatsop	$ 24.25	Coquille	Coos	$ 28.69
Cannon Beach	Clatsop	$ 24.96	Lakeside	Coos	$ 28.15
Seaside	Clatsop	$ 24.25	Myrtle Point	Coos	$ 28.33
Warrenton	Clatsop	$ 24.25	Powers	Coos	$ 28.33
Westport	Clatsop	$ 26.06	Brookings	Curry	$ 22.09
Prineville	Crook	$ 26.39	Gold Beach	Curry	$ 22.47
Oakland-Sutherlin	Douglas	$ 25.38	Langlois	Curry	$ 23.40
Roseburg	Douglas	$ 25.38	Port Orford	Curry	$ 23.40
Camp Sherman	Jefferson	$ 27.08	Reedsport	Douglas	$ 23.40
Culver	Jefferson	$ 26.39	Murphy-Provolt	Josephine	$ 28.26
Madras	Jefferson	$ 26.39	Mill City	Linn	$ 28.26
Grants Pass	Josephine	$ 25.26	Cove	Union	$ 24.95
Klamath Falls	Klamath	$ 24.25	Elgin	Union	$ 24.51
Newport	Lincoln	$ 24.02	Imbler	Union	$ 24.51
Siletz	Lincoln	$ 26.64	La Grande	Union	$ 23.87
Toledo	Lincoln	$ 25.24	Union	Union	$ 24.95
Albany	Linn	$ 25.41	Enterprise	Wallowa	$ 23.82
Harrisburg	Linn	$ 26.39	Joseph	Wallowa	$ 23.82
Athena-Weston	Umatilla	$ 26.51	Lostine	Wallowa	$ 23.54
Hermiston	Umatilla	$ 23.99	Wallowa	Wallowa	$ 23.40
Milton Freewater	Umatilla	$ 25.38			
Pendleton	Umatilla	$ 24.25			
Stanfield	Umatilla	$ 25.38			
Umatilla	Umatilla	$ 25.38			
Walla Walla	Umatilla	$ 24.96			

Benchmarks from FCC 2008 Reference Book, Table 1.13:

National average rate in urban areas: $25.62

"Safe harbor" rate: $36.52