

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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| In the Matters of |) | |
| |) | |
| Connect America Fund |) | WC Docket No. 10-90 |
| |) | |
| A National Broadband Plan for Our Future |) | GN Docket No. 09-51 |
| |) | |
| Establishing Just and Reasonable Rates for Local Exchange Carriers |) | WC Docket No. 07-135 |
| |) | |
| High-Cost Universal Service Support |) | WC Docket No. 05-337 |
| |) | |
| Developing an Unified Intercarrier Compensation Regime |) | CC Docket No. 01-92 |
| |) | |
| Federal-State Joint Board on Universal Service |) | CC Docket No. 96-45 |
| |) | |
| Lifeline and Link-Up |) | WC Docket No. 03-109 |

**COMMENTS OF THE
PUBLIC UTILITY COMMISSION OF OREGON**

The Public Utility Commission of Oregon (Oregon Commission) appreciates the opportunity to comment on the August 3, 2011, Public Notice captioned *Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding* (Notice).¹

The Oregon Commission commends the Federal Communication Commission (FCC) for its efforts to address needed changes to the intercarrier compensation system

¹ Available at: http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db0803/DA-11-1348A1.pdf (the "ABC Plan").

and the federal universal service programs. As the FCC recognized in its February 9, 2011, *Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking*, “USF and ICC are both hybrid state-federal systems, and that reforms will work best with the Commission and State regulators cooperating to achieve shared goals.” (*See* Paragraph 13)

The Oregon Commission opposes all aspects of the ABC Plan that would result in federal preemption of matters that are subject to regulation by a State commission and all measures that inhibit states from carrying out their prescribed duties.² Proposed specific preemptions are presented in Attachment 5 of the ABC Plan and include 1) FCC assertion of authority over all PSTN traffic, including intrastate traffic; 2) elimination of the states’ ability to impose COLR obligations on carriers that operate within the state; and 3) elimination of the states’ authority to designate Eligible Telecommunications Carriers. In addition, the ABC Plan’s proposed mechanism for recovering decreased access charges would result in increased local service rates, a direct responsibility of state governments.

I. Responsibility for setting intrastate rates, terms, and conditions.

The Oregon Commission is charged with the duty of regulating the telecommunications common carriers within its borders. It has the obligation to ensure that telecommunications services and facilities within its jurisdiction are universally and adequately provided to consumers at rates that are just and reasonable. (*See* ORS 759.015, 759.035 and 759.036) The Oregon Commission opposes any portions of the ABC Plan that would limit, or preempt, the Oregon Commission’s authority over rates, terms, and conditions of services within the state’s legal jurisdiction.

² 47 U.S.C. 221 (b)

The ABC Plan proposes to lower intrastate access charges for the two major service providers in Oregon thus preempting the State's authority to set intrastate access charges. The ABC plan also proposes to offset lost intrastate access revenue by increasing subscriber line charges (rates) to end users. In addition, the Plan calls for the reduction in Federal Universal Service Support for local service. All three of these ABC Plan actions would constrain the Oregon Commission from performing its mandatory obligation to ensure affordable local service rates throughout the state.

II. Determining carrier of last resort obligations

The ABC Plan asserts that the FCC must preempt states from imposing carrier of last resort obligations on price cap incumbent LECs because these obligations require the carriers to “divert resources from the deployment of broadband networks.” (Plan at p. 13) The Oregon Commission opposes such preemption. Consumers continue to require and use ILEC services for voice communications unrelated to broadband services. Intrastate telecommunications voice services provided by all ILECs are critical to the commerce and safety of Oregonians and COLR obligations are integral to protecting Oregonians. The State is charged with this responsibility and it is best situated to assure universal access to affordable telecommunications services for all Oregonians, including those in rural areas. To fulfill that responsibility, Oregon provides funding to the price cap ILECs through the state universal service fund to support the availability of telecommunications services to rural Oregonians. The state should be free to determine how best to ensure universal service in its rural areas even as the FCC proceeds with efforts to increase broadband deployment.

III. Designating Eligible Telecommunications Carriers

The ABC Plan would strip state commissions of their current authority under the Telecommunications Act of 1996 to designate Eligible Telecommunications Carriers (ETCs) and determine their service areas. The states would have no role in determining which carriers receive universal service funding or how, or where, the funding is used. Under the Plan, current funding for voice services would be eliminated, and only broadband funding would be available. The FCC would determine which areas across the entire nation will receive funding based on which carriers indicate a desire to serve in any particular location. If more than one carrier bids for support, the FCC will decide which carrier wins. The Oregon Commission opposes any proposed plan that would exclude states from meaningful participation in whatever universal service program supplants the current one.

August 24, 2011

Respectfully submitted,

THE PUBLIC UTILITY COMMISSION
OF OREGON



John Savage
Commissioner



Susan Ackerman
Commissioner