

ACCEPTED/FILED

MAR 20 2013

Federal Communications Commission
Office of the Secretary

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February 13, 2013

CC: 96-45

VIA FEDERAL EXPRESS

Federal Communications Commission
c/o U.S. Bank - Government Lockbox #979091
SL-MO-C2-GL
1005 Convention Plaza
St. Louis, MO 63101

Attn: FCC Government Lockbox

Re: CC Docket No. 96-45 – In the Matter of Trans-Cascades Telephone Company d/b/a Reliance Connects and CenturyTel of Oregon, Inc. d/b/a CenturyLink Joint Petition for Waiver of the Definition of “Study Area” Contained in Part 36, Appendix-Glossary of the Commission’s Rules – Joint Petition for Expedited Waiver

Dear Sir/Madam:

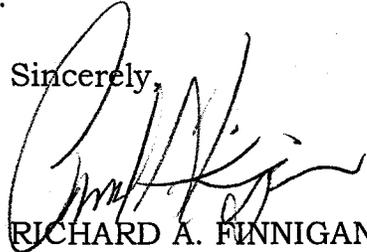
In connection with Lockbox number 979091, enclosed with this letter for filing with the Federal Communications Commission is Trans-Cascades Telephone Company d/b/a Reliance Connects and CenturyTel of Oregon, Inc. d/b/a CenturyLink’s Joint Petition for Expedited Waiver. Also included is a completed Remittance Advice FCC Form 159; this form includes a payment of the processing fee by credit card (\$7,990.00) associated with this submission. See, 47 C.F.R. §1.1105(3)(b)(ii). Finally, enclosed is an extra copy of the first page of the Petition, which has been marked “copy,” which is expressly provided to be stamped as received and returned to the undersigned in the enclosed, stamped, self-addressed envelope.

No. of Copies rec'd 091
List ABCDE

Federal Communications Commission
February 13, 2013
Page 2 of 2

Thank you for your assistance with this matter, and please do not hesitate to call me at the above telephone number should there be any questions concerning this correspondence.

Sincerely,



RICHARD A. FINNIGAN

RAF/cs
Enclosures

cc: Tre Hendricks (via e-mail)
Ron Trullinger (via e-mail)
Dennis Anderson (via e-mail)

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of

**Trans-Cascades Telephone Company d/b/a
Reliance Connects**

and

**CenturyTel of Oregon, Inc. d/b/a
CenturyLink**

CC Docket No. 96-45

Joint Petition for Waiver of the definition of
“Study Area” of the Appendix-Glossary of
Part 36 of the Commission’s Rules

To: Chief, Wireline Competition Bureau

JOINT PETITION FOR EXPEDITED WAIVER

Pursuant to Section 1.3 of the Federal Communication Commission’s (“FCC” or “Commission”) Rules,¹ Trans-Cascades Telephone Company d/b/a Reliance Connects (“Reliance Connects”) and CenturyTel of Oregon, Inc. d/b/a CenturyLink (“CenturyLink”) (together, “Petitioners”), by and through their counsel, request a waiver of the definition of “study area” contained in the Appendix-Glossary of Part 36 of the Commission’s Rules.

¹ 47 C.F.R. § 1.3.

originally within CenturyLink's Oregon study area and Petitioners request that the territory be removed from CenturyLink's study area in Oregon and recognized as part of Reliance Connects' Oregon study area. Exhibit 1, attached hereto, identifies the area to be served by Reliance Connects. Petitioners request that this Petition be reviewed and approved as expeditiously as possible pursuant to the new rules for study area waivers.²

INTRODUCTION

CenturyLink is an incumbent local exchange carrier (ILEC) serving in Oregon. Together with its affiliates, CenturyLink is the largest ILEC operating in Oregon. CenturyLink's study area is referred to by the Universal Service Administrative Company ("USAC") as study area code 532361. CenturyLink will continue to provide local telephone service within the other Oregon areas it serves and will retain its study area for those exchanges.

Reliance Connects is a rural telephone company providing service within the Antelope exchange in the state of Oregon. It has a study area which is referred to by USAC as study area code 532378. As of December 31, 2012, Reliance Connects has 214 working loops in the Antelope exchange in the state of Oregon. Reliance Connects is classified as a rural telephone company and is an eligible telecommunications carrier under the Communications Act of 1934 as amended by the Telecommunications Act of

² See, e.g., *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform - Mobility Fun*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011)(*USF/ICC Transformation Order*) at ¶ 216 and following.

1996 (the “Act”). Reliance Connects receives federal Universal Service Fund (“USF”) support as a “cost company,” not a “price cap company.”

Under the Transformation Order, the Commission established new standards for evaluating petitions for study area waivers. Those standards are (1) the state Commission having regulatory authority over the transferred exchanges does not object to the transfer and (2) the transfer must be in the public interest.³ The new standards further define the evaluation of the public interest of a proposed study area waiver as including: (1) the number of lines at issue (2) the projected Universal Service Fund cost per line; and (3) whether such grant would result in consolidation of study areas that facilitates reduction in costs by taking advantage of the economies of scale. The Commission stressed that these guidelines were only guidelines and not rigid measures for evaluating a petition for study area waiver.⁴

WAIVER OF THE FROZEN STUDY AREA DEFINITION IS WARRANTED

Petitioners seek a waiver of the frozen study area definition. Part 36 of the Commission’s Rules “freezes” the definition of “study area” to the boundaries that were in existence on November 15, 1984. Although the rule was adopted to prevent a carrier from segregating territories artificially to maximize high-cost support,⁵ the Commission has recognized that changes “that result from the purchase or sale of exchanges in arms-length transactions” do not necessarily raise the concerns which prompted the freeze.⁶

³ See USF/ICC Transformation Order at ¶ 265.

⁴ Ibid

⁵ See *MTS and WATS Market Structure, Amendment of Part 67 of the Rules and Establishment of a Joint Board*, Recommended Decision & Order, 57 RR 2d 267, ¶ 65 (1984).

⁶ See, e.g., *Alltel Corporation Petition for Waiver of Section 36.125(f), Sections 36.154(e)(1) and (2), and the Definition of “Study Area” contained in Part 36, Appendix-Glossary of the Commission’s Rules*, Memorandum Opinion and Order, 5 FCC Rcd 7505, ¶ 7 (Com. Car. Bur. 1990).

The Commission has recognized that failure to waive the rule in the case of the sale of exchanges would produce an absurd result, forcing the seller to continue to include exchanges in its study area for which it has no costs, and preventing the buyer from including in its study area exchanges it actually serves.⁷ Such a result would not serve the Commission's policy objective of ensuring that carriers' actual costs are reflected in their accounting so that they can accurately set just, reasonable, and non-discriminatory rates. In this case, the area to be transferred is transferred without compensation to CenturyLink.

A. Granting the Waiver Is in the Public Interest.

In the area that is being transferred, there is one customer currently served by CenturyLink. That customer is the Oregon Museum of Science and Industry (OMSI). CenturyLink provides basic voice service, but cannot provide broadband service to OMSI. OMSI desires broadband service to facilitate its operations and research activities. Reliance Connects can provide both voice and broadband service.

As stated in the USF/ICC Transformation Order, one element of determining whether a matter is in the public interest is the number of lines it issues and the projected universal service fund cost per line. There was one line at issue. CenturyLink currently receives \$14.92 per line per month in universal service support. That support will no longer be provided for the one line serving Camp Fossil. When the study area waiver is granted, Reliance Connects will receive \$63.33 per line per month for high-cost support

⁷ *Amendment to Part 36 to the Commission's rules and Establishment of a Joint Board*, Notice of Proposed Rulemaking, 5 FCC Rcd 5974, 5975-76 (1990) ("*Part 36 NPRM*").

for the one line of support.⁸ Given that the high-cost fund is frozen, there will be very little or no impact on overall support mechanism levels.

The primary driver behind this change is to be able to provide broadband service to a location of OMSI. It will result in the provision of broadband service to a public entity that is engaged in public service. As a result, the transfer is entirely consistent with the direction of the Commission as contained in both the USF/ICC Transformation Order and the Commission broadband initiatives under the National Broadband Plan.⁹

Reliance Connects is a rural telephone company providing service to what are largely residential and farming communities in the Antelope Exchange located in northeastern Oregon. A copy of the Oregon Commission Order is attached as Exhibit 2.

No facilities are to be transferred from CenturyLink to Reliance Connects. Reliance Connects has built or is building facilities to provide service to the Camp Fossil area. Allowing this area to be in the Reliance Connects study area will mean that state-of-the-art service options will be available to the subscriber, including, not only basic services, but broadband access.

B. The OPUC Supports the Transfer of Territory.

As noted above, the OPUC supports the service area inclusion for Reliance Connects by finding that it is in the public interest for Reliance Connects to serve the area. Both companies are filing amendments to their respective exchange maps to remove the Camp Fossil area from the CenturyLink service area and include the area in Reliance Connects' service area.

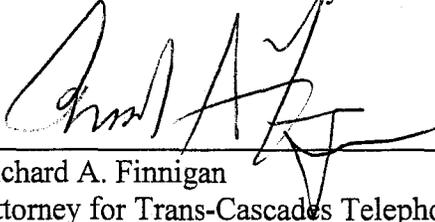
⁸ These numbers were based on 2012 figures. Under the USF/ICC Transformation Order, there may be year to year changes. However because there is only one line involved, the variation is not expected to be material.

⁹ *Connecting America: The National Broadband Plan*, FCC (March, 2010)

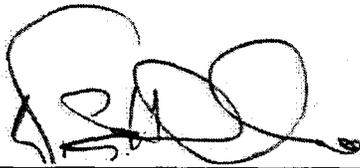
CONCLUSION

The study area waiver and modification sought herein is a necessary step in order to fulfill the policies for universal service. The immediate request is directly analogous to comparable requests routinely granted by the Commission. Therefore, good cause having been shown, Petitioners respectfully request that this Joint Petition be granted on an expedited basis.

DATED this 11th day of February, 2013.



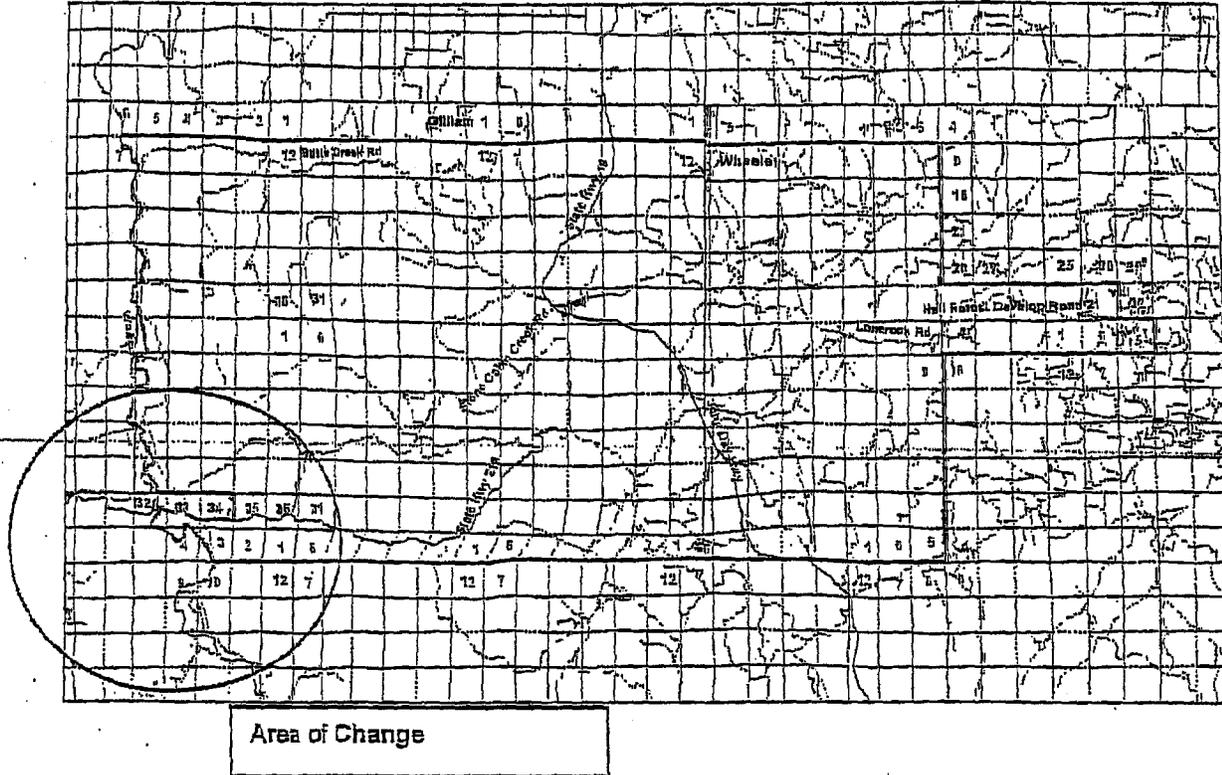
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EXHIBIT 1

Fossil Oregon
WHEELER COUNTY
EXCHANGE AREA MAP

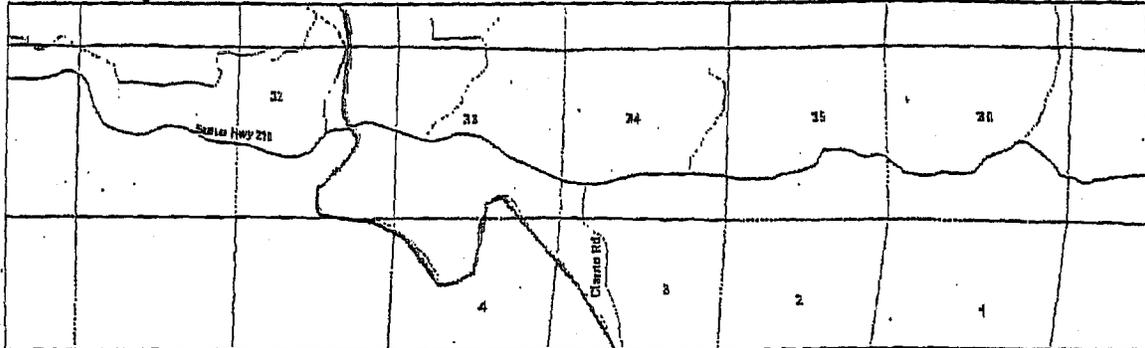


Issued: June XX, 2012
Issued By: CenturyTel of Oregon d/b/a CenturyLink

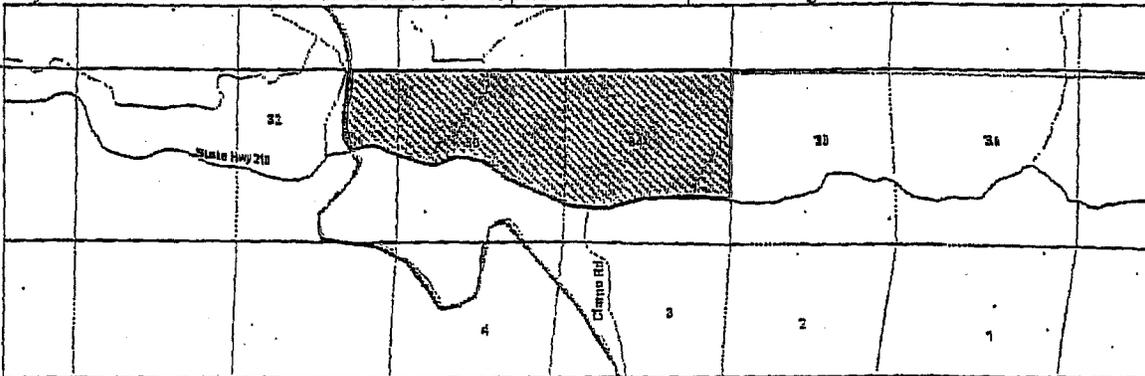
Effective: June XX, 2012

Fossil Oregon
WHEELER COUNTY
EXCHANGE AREA MAP

Area of change

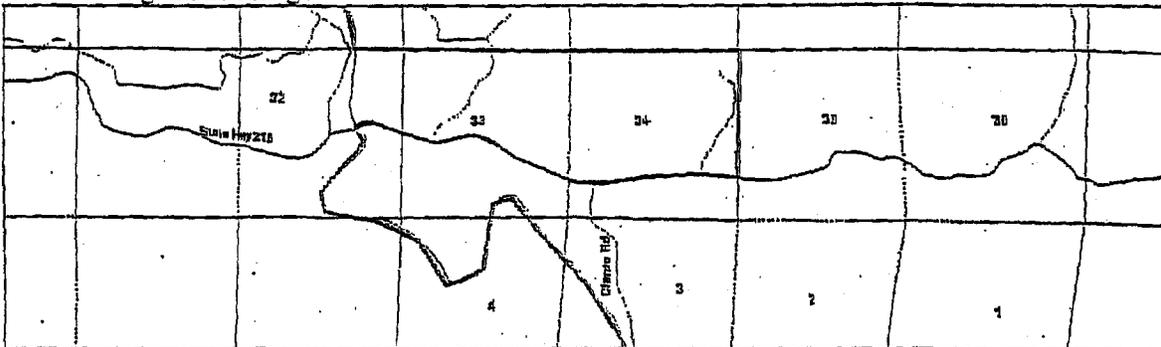


Area of change: The portions of Sections 32, 33 and 34 north of Highway 218 and east of the John Day River will be transferred to Cascade Telephone's Antelope exchange.



The Fossil Exchange will retain all portions of Sections 32, 33 and 34 South of Highway 218 and east of the John Day River.

Area of change after change



Issued: June XX, 2012

Issued By: CenturyTel of Oregon d/b/a CenturyLink

Effective: June XX, 2012

EXHIBIT 2

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UA 162

In the Matter of

CENTURYTEL OF OREGON, INC., dba
CENTURYLINK and TRANS-CASCADE
TELEPHONE CO., dba RELIANCE
CONNECTS

ORDER

Joint Application For Transfer and Allocation
of Territory.

DISPOSITION: JOINT APPLICATION GRANTED.

I. INTRODUCTION

Trans-Cascade Telephone Company, dba Reliance Connects (Reliance), and CenturyTel of Oregon, dba CenturyLink (CenturyLink), request approval under ORS 759.560 for a transfer of allocated territory. In the joint application, CenturyLink seeks to transfer allocated territory, known as the Camp Fossil Area, to Reliance. The territory is located near Clarno, Oregon, in Wheeler County and is currently part of CenturyLink's Fossil Exchange service area. The relevant area is shown in maps in Exhibit B of the amended joint application.

ORS 759.560 requires our approval of a transfer of rights acquired by allocation of territory. We may approve the transfer after a finding that the transfer is not contrary to the public interest. In addition, OAR 860-025-0027 and OAR 860-034-0490 require an application for transfer of allocated territory to contain certain information needed to evaluate the request.

II. DISCUSSION

A. Parties' Positions

The parties seek the transfer of territory to better serve the only customer in the area—the Oregon Museum of Science and Industry (OMSI). They explain that CenturyLink is not capable of providing broadband services to OMSI, but that Reliance is willing and able to do so. The parties further explain that, with the transfer, Reliance will also provide voice services and become the carrier of last resort in the transferred area.

The Commission Staff supports the proposed transfer. Staff states that the transfer will prevent the duplication of facilities and advance the legislative goal of ORS 759.016(2)(a) to extend broadband services to Oregon communities.

B. Resolution

We find that the proposed transfer of allocated territory is not contrary to the public interest. As Staff explains, the transfer is the most efficient means to provide updated facilities for the provision of basic and advanced (broadband) services to the Camp Fossil area.

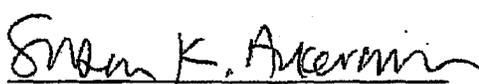
We also find that the joint application filed by CenturyLink and Reliance meets the requirements of our rules. It contains the information needed by the Commission to properly review the application.

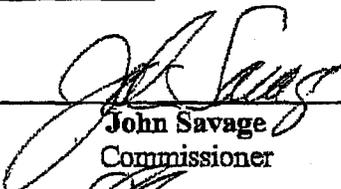
Accordingly, we conclude that the joint application should be granted. All rights held by CenturyLink to the territory described as the Camp Fossil area should be transferred and allocated to Reliance. The exchange maps for each carrier—CenturyLink’s Fossil Exchange and Reliance’s Antelope exchange—should be modified accordingly.

III. ORDER

IT IS ORDERED that the joint application for the transfer of allocated service territory from CenturyTel of Oregon, dba CenturyLink, to Trans-Cascade Telephone Company, dba Reliance Connects is approved.

Made, entered, and effective DEC 18 2012


Susan K. Ackerman
Chair


John Savage
Commissioner


Stephen M. Bloom
Commissioner



A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.