

# WARM SPRINGS TELECOMMUNICATIONS COMPANY

November 23, 2010

Filing Center  
Oregon Public Utility Commission  
PO Box 2148  
Salem, OR 97308

RE: UM 1481 - Investigation of the Oregon Universal Service Fund  
Reply Comments of the Warm Springs Telecommunications Company

Dear Commission:

Enclosed for filing please find an original and one copy of the WSTC's Reply comments in Docket Number UM 1481.

Thank you for your concern in this matter.

Sincerely,

*Marsha Spellman*

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At this time, only approximately 63% of all residents on the Reservation are able to receive basic telephone service. While the rest of the country can boast that 95% of all residents have access to basic telephone, it is a travesty that in this country, tribal members do not enjoy even rudimentary telecommunication service.. We believe that this funding is critical to bring the tribal lands into parity with the rest of American, and then, build out the broadband network that the people of Warm Springs deserve, as do all Oregonians.

It is because of the neglect that has occurred on the reservation that we support the on-going funding of OUSF for tribal lands. We also support the continuation of the fund for the other rural communities that, because of the lack of density and the cost of providing service to small communities, have not been privileged to have telecommunications competition. Rural American has relied on the small rural companies to bring telecommunications to rural America. We believe that OUSF is more critical than ever as broadband telecommunications will be a lifeline to rural American as we move into a broadband environment.

## **II. Need for the Continuation of the Oregon Universal Service Fund**

As CenturyLink and others have written in their opening comments, the U.S. has long had a public policy to provide every American with a telephone. To make this simple concept a reality in low populated, high cost areas, the Universal Service Fund was developed as the funding mechanism that has enabled rural America to benefit. Oregon saw the need to fill the gaps that the federal program did not fill, and created its

OUSF fund to further ensure that rural Oregonians would not be left out of the development of the PSTN.

Not all Oregonians have basic telephone. There are rural Oregonians that have been left out of the development of the PSTN. These people are native people living on the Warm Springs Reservation. While phone companies claim that 95% of all Americans have access to basic telephone service, this is not the same for Tribal lands. Throughout America, there are reservations that have NO telephone service. In Oregon, based on the research that was done for the development of the Warm Springs Telephone Company, approximately 63% homes have access to basic telephone service.

As tribal Americans, who serve this country in the military as patriotic Americans, vote in elections, and in all ways see themselves as American Indians, this is not right. It is time that these rights are made whole. Keeping OUSF funding alive to fund basic telephone service is critical to make up for the wrongs that have been perpetuated on the tribal lands, including the lack of basic telephone.

The WSTC recognizes that it is the small rural companies and coops that have been successful in serving rural America. The USF funding, and additional OUSF funding, has been the model that has worked. It is not time to cut the funding as we move forward toward a broadband universe.

#### CARRIER OF LAST RESORT

While this concept seems to be diminishing, WSTC believes that this is an important concept that must be maintained. Any company that receives OUSF funding MUST agree to serve ALL customers in that service area. Since OUSF funding is the

mechanism that supports these companies to build out in high cost areas, then it is also important that any company that gets the OUSF funding, must do so without additional line extension charges. These charges are essentially what the OUSF fund is funding, building the network to high cost areas.

WSTC feels strongly about this issue as it has not been the policy in the past, and companies that received OUSF funding have not necessarily reinvested the funds in the communities that they serve. Companies that receive OUSF should be required to spend the money in the community for which it is received. If not that particular area, it should be required at least to spend the money in Oregon, in a similarly situated community.

### BROADBAND FUNDING

As the funding moves from basic telephone to broadband, it is still the rural areas that need to be funded. But it is the network that is the backbone for basic telephone that is the same backbone network for broadband. It is still the cost to building out these rural networks that needs to be funded. Perhaps more than urban communities, rural communities will rely on broadband for tele-medical applications, for access to higher education, as well as creating the ability for school children to do their homework and other projects on par with urban students.

Broadband is also the critical network for wireless companies who need fiber to their towers, as well as public safety radio, who rely on the broadband network to upgrade their services and provide more capacity to their radio networks.

Public policy has not changed. We still have policy on the books that supports telecommunications for all. The issue is how to fund this change from basic telephone to a broadband environment. In doing this, it is critical recognize that in rural communities, there is no competition to serve the people of the community, outside of the core area. There is no competition to reach all rural Oregonians with basic telephone. There will be no competition to serve these communities with broadband that will enable the essential new services, especially health care, education and opportunity for broadband for job development.

As CenturyLink writes in their opening comments, “Support must be targeted to high-cost areas, consistent with underlying economics, and the lesser degree of competition. A stable, sufficient, properly targeted USF must be established and maintained to stand in the gap for unprofitable customers and be the mechanism that continues the long-standing policy of successful universal service.” We wholeheartedly support this notion.

We also believe that if the federal USF funding diminishes, as we believe it will based on federal comments, it will be more critical than ever that Oregon steps up and fills the gap so rural Oregonians are NOT hurt in the transition. Rural companies will lose money based on the proposed federal changes to USF. Oregon has the opportunity to do the right thing for its citizens and keep the OUSF fund throughout the transition to broadband, funding local communities.

### **III. Tribal Concerns**

As written in the National Broadband Plan (FCC NBP, p. 152)

“Many tribal communities face significant obstacles to the deployment of broadband infrastructure, including high build out costs, limited financial resources that deter investment by commercial providers...Tribes need substantially greater financial support than is presently available to them, and accelerating Tribal broadband deployment will require increased funding.”

This certainly mirrors the situation in Warm Springs, which has been working for nearly ten years on telecommunications planning, including communications with the local incumbent provider to improve services on the Reservation. Without the support and funding of the federal universal service fund, as well as the Oregon USF, Warm Springs will limp along building out this critical network.

Recently, in recognizing the special issues related to tribal telecommunications, the FCC opened the Office of Native Affairs and Policy, headed by Geoffrey Blackwell, to help tribes in their quest to provision telecommunications on their tribal lands.

“Tribal lands and native communities suffer unacceptably low levels of communications services, especially broadband,” said FCC Chairman Julius Genachowski in discussing the new office. “Increasing connectivity in Native America is one of the FCC’s top priorities.”

## OREGON

In 2001, Oregon passed **SB 770: An ACT Relating to Government-to-government relations between the State of Oregon and American Indian Tribes in Oregon.** This act recognizes the special nature of tribal nations and outlines

policy on how state Agencies and Tribal governments should relate to each other in regard to developing and implementing policy.

The Act (Section 2) says (in part) that a “State agency shall develop and implement a policy that:

- Establishes a process to identify the programs of the state agency that affect tribes
- Promotes communications between the state agency and tribes
- Promotes positive government-to-government relations between the state and tribes
- The state agency shall make a reasonable effort to cooperate with tribes in the development and implementation of programs of the state agency that affect tribes...

As such, WSTC believes that there are tribal issues regarding the transition to a broadband fund that are of great concern to the Tribes. We encourage that the OPUC recognize this, and develop a relationship with the WSTC based on the unique needs of the tribal lands.

For instance, while most Oregonians would go to the state government, in this case the PUC for issues relating to poor telephone service, tribal members would communicate their problems with their tribal government, not with the State PUC. As such, it is critical that a government to government relationship be recognized. Perhaps a tribal liaison should be established to ensure that any PUC issue be examined for tribal impact, and that on-going tribal issues be examined.

To conclude, while WSTC believes it has many issues that are the same as other rural telecom companies, and supports the comments of the OTA, we believe that the issues facing tribal lands are unique. In the matter of OUSF, we believe that the unique situation of Warm Springs, and other tribal lands, should be treated with the understanding it deserves.

#### **IV. Summary**

To conclude, the following lists the items that are of great concern to WSTC, as discussed above.

- WSTC believes that OUSF is more critical than ever as broadband telecommunications will be a lifeline to rural American as we move into a broadband environment. This is especially true on tribal lands
- The U.S. public policy to provide every American with a telephone and the funding mechanism that enabled this policy a reality in low populated, high cost areas, the Universal Service Fund, has enabled rural America to benefit and the PSTN become the ubiquitous network it is today. Oregon saw the need to fill the gaps that the federal program did not fill, and created its OUSF fund to further ensure that rural Oregonians would not be left out of the development of the PSTN. It is still critical that these funds support the rural ILECS that are dedicated to serve rural Americans.
- However, today not all Oregonians have basic telephone, and the OUSF is still a critical need in parts of Oregon. This is certainly true on the Warm Springs Reservation.

- The Carrier of Last Resort must continue as an essential part of the OUSF funding contract. This includes not allowing for line extension charges for any company that receives the OUSF.
- As the funding moves from basic telephone to broadband, it is still the rural areas that need to be funded the backbone for basic telephone that is the same backbone network for broadband.
- Competition in rural America exists only in small pockets, and competitive providers who do come to these areas only cherry pick the center of these communities, leaving those outside of the core to the rural ILECs.
- Tribes have been neglected by telecommunications providers, and as such have greater needs than most other communities in the country. As such, we recommend that the OPUC consider the issues for tribal lands.
  - We recommend that based on OR SB 770, the OPUC determines new policies for working with Tribes to ensure that they are fairly served and reach parity with the rest of Oregon as the OUSF is reconsidered.

**Certificate of Service**

**UM 1481  
Reply Comments**

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage, prepaid, or by electronic mail pursuant to OAR 860-13-0070

Dated this day, November 23, 2010, in Portland, OR.

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**Marsha Spellman**

**Regulatory Director**