ITEM NO. CA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 22, 2016

REGULAR ____ **CONSENT** X **EFFECTIVE DATE** December 2, 2016

DATE: November 9, 2016

TO: Public Utility Commission

FROM: Stephen Hayes

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck

SUBJECT: CENTURYTEL OF OREGON, INC.:
(Docket No. ADV 412/Advice No. 354) Establishes lifeline assistance programs tariff filing pursuant to FCC Orders and establishes concurrence in Qwest Corporation's d/b/a CenturyLink QC Tariff.

STAFF RECOMMENDATION:

Staff recommends the filing be allowed to go into effect.

DISCUSSION:

Issue
Whether the tariff sheets proposed by CenturyTel's Advice Letter comply with the FCC mandate and, if so, should be approved by the Commission.

Applicable Law
CenturyTel is regulated under the Price Plan approved by the Commission on October 7th, 2014, in Order No. 14-347 in Docket No. UM 1686. Exhibit A, Section P of that order requires tariff filings at least 30 days prior to the effective date for price changes or other changes to terms and conditions for services.

The Price Plan also requires the Company to continue to offer current Telephone Assistance Plans pursuant to state and federal requirements (Order No. 14-347, Exhibit A, Section C).

Further, *FCC Order No. 15-71*, adopted June 18, 2015, and released June 22, 2015, (FCC Order) sets forth rule changes so that as of August 15, 2016, "incumbent local exchange carriers" (ILECs) no longer receive reimbursement for any wholesale Lifeline

services provided to carriers who resell such services (resellers). The FCC Order further provides that an ILEC is no longer required to offer its Lifeline services to resellers.

CenturyTel's filing also includes Lifeline service revisions which are intended to comply with the *Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38, In the Matter of Lifeline and Link Up Reform and Modernization (WC Docket No. 11-42), Telecommunications Carriers Eligible for Universal Service Support (WC Docket No. 09-197) and Connect America Fund (WC Docket No. 10-90)* adopted on March 31, 2016, and released April 27, 2016.

Analysis

Background
On November 1, 2016, CenturyTel of Eastern Oregon and CenturyTel of Oregon d/b/a CenturyLink (CenturyTel or Company) filed Advice Letter No. 354. The filing proposes to adopt by reference a Qwest tariff which implements a number of Federal Lifeline Program changes required by the Federal Communications Commission (FCC) to be implemented by December 2, 2016.

Preliminarily, Staff notes that CenturyTel's filing meets the 30-day prior notice requirement.

CenturyTel's proposed tariff filing adopts by reference essentially all of the rates, terms, and conditions proposed by Qwest Corporation d/b/a CenturyLink QC (Qwest) in its proposed Advice Letter No. 2132.[1] Staff discusses the Qwest filing at this public meeting as Consent Agenda item No. 3 (CA3). Qwest's Advice Filing provides all of the rates, terms, and conditions relative to United's Lifeline Programs. Staff is recommending the Commission approve Qwest's Advice Filing No. 2132 and its associated proposed tariff. However, since CenturyTel's tariff is entirely dependent on the rates, terms, and conditions in Qwest's proposed tariff, should the Commission not allow Qwest's filing to go into effect, then the Commission should reach the same conclusion for CenturyTel's tariff proposal.

As to one tariff adopting the terms, rates, and conditions of another tariff by reference, Staff generally discourages such a practice. This is because Staff believes that tariffs should be stand-alone and contain everything necessary to understand their rates, terms, and conditions. However, Staff recommends the Commission allow "adoptions by reference" for Lifeline-related tariffs for the following reasons. First, allowing tariff

[1] Staff notes that the only part of the Qwest filing that is not adopted by reference by the CenturyTel filing concerns a footnote in the tribal section that identifies exchange pricing.

adoptions by reference may decrease the Company's and Commission's administrative burden because of a potential for future periodic adjustments. Second, the adopted tariff rates, terms, and conditions refer entirely to Qwest's tariff. As such, once the reader accesses the referenced Qwest tariff, they do not have to go back and forth between the CenturyTel and Qwest tariffs – they can simply rely upon the Qwest tariff for the CenturyTel rates, terms, and conditions. Finally, Staff notes that there is precedent for this approach in that there are instances of existing adoptions by reference between the CenturyTel and Qwest Price lists.

Staff discusses more completely the merits of the proposed tariff changes in the CA3 report. Qwest's Advice Letter in ADV 413 details the changes in the tariff filing.

Conclusion
Staff concludes that CenturyTel's proposed tariff, which adopts by reference Qwest's new Lifeline Programs tariff section, is acceptable. Staff reaches this conclusion because CenturyTel's proposed tariff filing is required by the FCC, it clarifies jurisdictional separation between state and federal programs and makes appropriate administrative changes. Finally, as Staff discusses in its CA3 public meeting memorandum, changes to CenturyTel's OTAP section may be required upon completion of Docket No. AR 607.

PROPOSED COMMISSION MOTION:

Allow the tariff sheets filed with CenturyTel's d/b/a CenturyLink Advice No. 354 to go into effect on December 2, 2016.

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