BEFORE THE
OREGON PUBLIC UTILITY COMMISSION

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Expansion of the Oregon Universal Service Fund to Include the Service Areas of Rural Telecommunications Carriers	UM 1017(3)

BRIEF OF THE OREGON EXCHANGE CARRIER ASSOCIATION ON THE QUESTION OF WHETHER THE PROPOSAL BY THE OREGON EXCHANGE CARRIER ASSOCIATION IS CONSISTENT WITH ORS 759.425

September 8, 2011

INTRODUCTION

This Brief is filed by the Oregon Exchange Carrier Association (OECA) to address a question raised by some of the parties concerning the proposal that has been filed in this docket by OECA (the "Proposal"). The question that is to be addressed in the briefing is whether the Proposal is consistent with the requirements of ORS 759.425. In this Brief, OECA will demonstrate that the Proposal not only comports with the requirements of ORS 759.425, it is also consistent with the rule adopted by the Commission defining "basic telephone service" and fulfills the public policy goals of the Legislature.

PROCEDURAL BACKGROUND

At the second workshop in this docket held on August 16, 2011, OECA detailed the elements of the Proposal as contained in the testimony that it filed on August 5, 2011. At the workshop, attorneys for Comcast, tw telecom and TRACER renewed a question that they had raised at the first workshop in this docket. Specifically, they questioned whether the Proposal comports with the requirements of ORS 759.425 and the definition of basic telephone service adopted by the Commission to implement that statute.[1] They requested the opportunity to brief the issue in an effort to obtain a Commission determination before proceeding to the responsive testimony portion of this docket.

It is critical to OECA that this docket be resolved as expeditiously as possible on the merits. Therefore, OECA agreed to a process which begins with OECA filing an opening brief no later than September 8, 2011, that explains why the Proposal is consistent with ORS 759.425. Responsive briefing is due September 22, 2011. OECA's reply brief on this issue is due September 27, 2011.

[1] See, ORS 759.400(1) giving the Commission the authority to define the term "basic telephone service."

As part of the modification to the procedural schedule, dates for filing testimony were modified so that the other parties' filings of testimony in response to OECA's opening testimony are now due October 24, 2011. OECA's reply testimony is due November 14, 2011. It is expected by the parties that a hearing will be scheduled the week of December 5, 2011.[2]

It is hoped that the Commission's schedule will allow it to make a ruling on the issue of whether the Proposal meets the intent and requirements of ORS 759.425 quickly enough to maintain the revised procedural schedule. However, OECA understands that the Commission's schedule is very busy and that may or may not happen.

THE ISSUE: IS THE PROPOSAL CONSISTENT WITH ORS 759.425?

OECA will demonstrate in this Brief why the Proposal is consistent with ORS 759.425. The basic reason for filing the Proposal by OECA is to create a mechanism to keep local service rates for basic telephone service reasonable and affordable as required by ORS 759.425(1). As this Brief will explain, the Proposal is consistent with and fulfills the statutory goals of ORS 759.425(1). This Brief will further demonstrate how the Proposal also comports with the second authorization for OUSF found in ORS 759.425(3). This Brief will demonstrate how the Proposal is consistent with the Commission's adopted definition of basic telephone service. Finally, this Brief will demonstrate that the Proposal meets the legislative public policy goals established by ORS 759.015.

It is OECA's understanding from the statements made at the second workshop that the main argument of those that believe the Proposal does not meet the requirements of ORS 759.425 and the Commission's definition of basic telephone service is that it is a plan under which OUSF funding would be used to subsidize wholesale services as opposed to retail service. Such a description of the Proposal is misleading, short-sighted and wrong.

[2] The motion to modify the procedural schedule was granted by the Commission's Ruling issued August 29, 2011.

THE PROPOSAL WAS FILED BY OECA TO REDUCE GROWING PRESSURE ON LOCAL SERVICE RATES

To place OECA's decision to file the Proposal into proper context, it is important to understand the traditional method for funding rural incumbent local exchange carrier (RLEC) operations and what has been happening in recent years. At the heart of providing service to local customers in RLEC territory is the public switched telecommunications network (PSTN). In an RLEC's territory, the PSTN consists of the distribution, transmission and switching facilities that are constructed within the RLECs' service territory. The vast majority of RLECs have very little facilities, if any, outside of their own service territory. These PSTN facilities allow the customers within the RLEC's service territory to communicate with one another and the rest of the world. It is the PSTN that allows communications to occur. It is the PSTN that delivers basic telephone service, as defined by the Commission, and other communications services to customers.

Traditionally, support for the PSTN in each RLEC service territory has been viewed as a three-legged stool. The first of these three legs is the revenue derived from the local residential and business customers served by the RLEC. The second traditional leg of support for the PSTN has been access charges to the interexchange carriers that the residential and business customers access for communications to others outside of the RLEC service territory or to receive communications from customers outside of the RLEC service territory. The third traditional leg of support for the PSTN has been universal service support.

It is important to keep in mind that the PSTN in each RLEC's service territory is one network. There is not one set of facilities for local communications and a second set of facilities for communication with the outside world.[3] It is one network consisting of one set of facilities that receives support from these three sources: local revenue, access revenue and USF support.

For the last several years, one leg of this three-legged stool of support for the PSTN has been under attack. That leg is the support received through access charges assessed to interexchange carriers. One of the weaknesses of this leg of the three-legged stool is that for many years the facilities of rural ILECs did not allow them to analyze whether the traffic arriving to them was intrastate in jurisdiction or interstate in jurisdiction.[4] This led to the creation of a system under which interexchange carriers self-reported their jurisdictional division of traffic under a Percent Interstate Usage (PIU). Under existing tariffs, interexchange carriers are to report the PIU quarterly.[5] Many interexchange carriers report a high PIU, meaning most of the traffic is classified as interstate. RLECs have long suspected that this self-reporting was done with the purpose to classify more traffic as interstate than actually was the case. There was a basic incentive to do so in that for years interstate access charges have been lower than intrastate access charges. However, the RLECs have lacked the data and resources to demand an audit of the traffic.

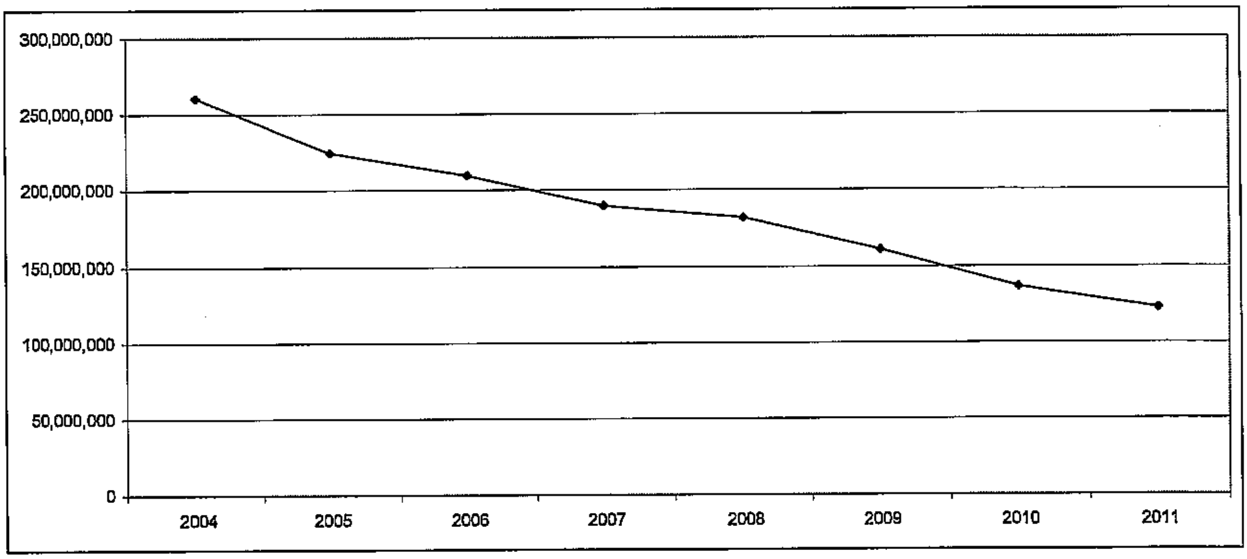
Ironically, as RLECs have developed the capability to measure the jurisdictional basis of traffic, more perverse behavior has been undertaken. Some IXCs now claim that much of their traffic is VoIP-based and is not subject to access charges, relying on what they perceive as favorable, or at least ambiguous, Federal Communications Commission's (FCC) rulings concerning VoIP traffic.[6] Others appear to be disguising interexchange toll traffic, which should

[3] There may be separate trunk groups out of an RLEC's territory - one for Extended Area Service (EAS) and one for toll calling, but within the RLEC service territory, there is one network.
[4] As companies convert to soft switches, that lack of ability to determine jurisdiction is being addressed.
[5] See, Oregon Exchange Carrier Association Tariff P.U.C. OR. No. 2 at Section 2.3.9 and, in particular, Subsection 2.3.9(C).
[6] Declaration of Mr. Eves, Attachment 1.

be subject to access charges, as local (extended area service) traffic, which is traffic to which access charges do not apply.[7] The incentive to engage in arbitrage is clear and has occurred. For example, intrastate access minutes have declined from 260,286,027 for calendar year 2004 to the projected 123,316,000 for calendar year 2011.[8] This is a decline of over fifty percent of the intrastate access minutes. This has led to intrastate access rates rising from $0.05124 per access minute to $0.09929 per intrastate access minute over the same period of time.[9]

In 2004, the OECA pool had $13,569,937 in access revenues. It is projected for 2011 that it will have $12,243,564 in revenues.[10] The only reason the pool revenues have not declined more is that the per minute access rate has gone up. Continued substantial increases in intrastate access charge rates are not sustainable.

Table 1 shows the year over year change in OECA pool access minutes.



[7] See, the presentation of Mr. Zupancic in Docket UM 1547 on file with the Commission.
[8] See, the Declaration of Mr. Phillips, attached as Attachment 2. As explained by Mr. Phillips, the pool numbers are adjusted to reflect that Beaver Creek Cooperative Telephone Company was not a pool member the entire time. While some decline in access minutes is likely due to wireless substitution, if that were the only cause of decline, the decline should have leveled off, but has not.
[9] Ibid.
[10] Ibid.

If this trend continues, as access minutes continue to decrease, intrastate access rates will continue to increase. This increasing rise in intrastate access rates accelerates the incentive for interexchange carriers to engage in arbitrage and access avoidance. There is no evidence that this trend will not continue without significant corrective action. If it continues, this source of support for the PSTN will become insignificant, at best. This deterioration of one leg of the support stool will reduce overall support for the PSTN and put increasing pressure on local rates.

Table 2, below, was presented to the Commission in Docket UM 1481. It shows what would potentially happen to local rates if the source of access revenue to support the PSTN disappears.[11]

[Intentionally left blank]

---

[11] See, the Declaration of Mr. Wolf attached as Attachment 3.

Table 2

OTA ILEC MEMBERS
EFFECT OF TRANSITION OF SWITCHED
ACCESS RATES TO "0" RATE

Company	Existing Local Rate* (w/EAS)	Rate After Transition
Asotin	$18.75	$61.90
Beaver Creek	$30.50	$43.51
Canby	$30.58	$47.00
Cascade	$33.89/$30.24	$70.36/$66.71
Clear Creek	$32.87	$49.08
ColtonTel	$44.35	$96.14
Eagle	$18.10	$63.74
Gervais	$34.45	$78.08
Helix	$22.17-$26.17	$229.04-$233.04
Home	$23.05	$60.05
Molalla	$34.45	$47.70
Monitor	$23.15	$104.97
Monroe	$30.08	$45.58
Mt. Angel	$24.50	$53.52
Nehalem	$19.50	$36.94
North-State	$33.30	$114.07
OR-Idaho	$18.15-$26.55	$68.80-$77.20
Oregon Tel	$29.00	$92.24
People's	$29.40	$120.02
Pine	$16.50	$102.01
Pioneer	$22.95	$51.86
Roome	$33.50/$36.50	$108.39/$111.39
St. Paul	$27.35	$79.03
Scio	$29.65-$31.00	$52.85-$54.20
Stayton	$24.99	$70.60
Trans-Cascades	$28.62	$58.84

*Residential Rate including EAS and existing SLC at $6.50 per month

OECA recognized that the affordability of basic telephone service has been put in significant danger by the erosion of support of the access leg of the three-legged stool. In order to take steps to keep local service rates for basic telephone service affordable and maintain access charges as a viable, although reduced, source of support for the PSTN, OECA filed the Proposal. Under the Proposal, there will be increased USF support and general parity between intrastate and interstate access rates. The parity should reduce the incentive for arbitrage and, may, in fact, increase reported intrastate traffic.[12] These steps will help keep basic telephone service affordable.

Thus, the purpose behind the Proposal is to act at what is a critical moment, but before it becomes a full-blown crisis, to preserve the affordability of local service rates for basic telephone service for residential and business customers in RLEC territory.

HOW THE OECA PROPOSAL WORKS

As discussed above, the OECA Proposal is designed to address the shrinking support for the PSTN from intrastate access charges as access rates increase towards unacceptable levels. The Proposal is designed to relieve upward pressure on local service rates that may make those rates unaffordable. It does this by building on the Commission's universal service plan for rural carriers adopted in the prior phases of this docket, UM 1017. While the details of the Proposal are contained in Mr. Phillips' pre-filed testimony,[13] and are available to the Commission, a brief summary of the Proposal will follow. For ease of reference, a copy of Mr. Phillips' Exhibit OECA/201 is attached as Attachment 4. Exhibit OECA/201 illustrates the discussion that follows.

Under the process for RLECs in the OUSF as it exists today from the Commission's action in the earlier phases of this docket, a per-line support amount is calculated based upon an examination of the company's cost to provide service and utilizing a benchmark of $21.00. The existing methodology takes into account loop support from federally-derived sources, including

[12] See, the pre-filed testimony of Ms. Long, Exhibit OECA/100 at Long/5-7 and Long/11.
[13] Exhibits OECA/200-206.

the subscriber line charge (SLC) and high-cost fund (HCF) support at the federal level. Interstate common line support (ICLS) and federal local switching support (LSS) are also taken into account. Once the amount of support is determined, the support from the OUSF is first applied to reduce the carrier common line portion of the intrastate access charges.[14] The details are specified in the Stipulation to Settle Issues in UM 1017 attached to and approved by the Commission in its Order 03-082 entered February 3, 2003. OECA's Proposal does not change this part of the OUSF. It remains in place. The Proposal adds a second level which is consistent with the approach undertaken by the Commission in Order No. 03-082.

The Proposal begins with the RLECs' regulated telecommunications revenue requirement based on an embedded cost study.[15] The Proposal uses the $21.00 benchmark determined to be appropriate by the Commission in Order No. 03-082, with a refinement. That refinement is that if an RLEC actually receives local and EAS revenue exceeding $21.00 per line, the higher figure is used. OECA believes that this is appropriate to reflect the actual revenue flow of the RLEC.

The Proposal also takes into account revenue from SLCs, HCF, LSS, and ICLS. While the same factors are used as applied under the methodology approved in Order No. 03-082, under the existing OUSF not every dollar of ICLS and LSS is applied. The Proposal applies the entire amount of ICLS and LSS. Again, as with the modification for the benchmark, this is done to reflect the actual total revenue flow for the RLEC.

After all of the above steps are performed, support for the PSTN from intrastate access

---

[14] To the extent that opponents of the Proposal describe using OUSF funds to reduce intrastate access charges as subsidizing wholesale service, they must be arguing that the Commission erred in 2003 and has been in continuous violation of ORS 759.425 ever since. Such an argument ignores basic principles of statutory construction. See, discussion beginning at p. 12, infra.

[15] It should be noted that when the Commission approved the use of embedded cost studies in Order No. 03-082, it was the expectation that, over time, embedded cost studies would be replaced by a cost model as approved by the FCC for use with RLECs. However, the FCC has not adopted a cost model for use with RLECs and that expectation did not come into being. In addition, it should be noted that average schedule companies are based on the embedded cost studies of companies with similar characteristics and do not submit their own embedded cost studies.

charges is calculated at the interstate rate level. This is done to reduce the opportunity for arbitrage and, as explained earlier, to try to maintain intrastate access charges as a support mechanism for the PSTN. This process reduces further upward pressure on local rates for basic local service, maintaining those rates at reasonable and affordable levels.

The Proposal then takes into account existing OUSF support using the methodology established in Order No. 03-082 so that an RLEC will not receive duplicative support. The Proposal then calculates an additional amount of support that is available to the RLEC to support affordable local rates. The filing process under the Proposal utilizes the same filing process that is in place today for the annual OECA access filing. In other words, the Proposal follows the filing methodology established by the Commission. This is the process which applies existing OUSF support on an annual basis and uses that support to reduce the carrier common line portion of intrastate access charges.

THE PROPOSAL IS CONSISTENT WITH ORS 759.425

As a statutory agency, the Commission has only those powers and authorities granted to it by the Legislature or necessarily implied therefrom. See, e.g., Lee v. Oregon Racing Comm'n, 142 Or. App. 114, 920 P.2d 554, rev den 324 Or. 394 (1996). See, also, Lee, Inc. v. Pac. Tel. & Tel, 154 Or. 272, 59 P.2d 683 (1936) and Gates v. Pub. Service Comm'n., 86 Or. 442, 167 P. 791 (1917).

In this case, the statutory grant of authority is very broad. There are two subsections of ORS 759.425 that are relevant to the present inquiry. Those are subsections (1) and subsection (3).

ORS 759.425(1) reads, in pertinent part, as follows:

> (1) The Public Utility Commission shall establish and implement a competitively neutral and nondiscriminatory universal service fund. Subject to subsection (6) of

> this section, the Commission shall use the universal service fund to ensure basic telephone service is available at a reasonable and affordable rate. (Emphasis supplied.)[16]

In a separate provision in ORS 759.425(3), the Commission is directed to establish a benchmark for basic telephone service. Under this subsection (3), OUSF support is to be used to support the difference between the cost of providing basic telephone service and the benchmark, less certain federal support sources. The Commission is given wide discretion to review the benchmark and make adjustments to it. Specifically, ORS 759.425(3) reads as follows:

> (3)(a) The Public Utility Commission shall establish a benchmark for basic telephone service as necessary for the administration and distribution of the universal service fund. The universal service fund shall provide explicit support to an eligible telecommunications carrier that is equal to the difference between the cost of providing basic telephone service and the benchmark, less any explicit compensation received by the carrier from federal sources specifically targeted to recovery of local loop costs and less any explicit support received by the carrier from a federal universal service program.
>
> (b) The commission in its discretion shall periodically review the benchmark and adjust it as necessary to reflect:
>
> (A) Changes in competition in the telecommunications industry;
>
> (B) Changes in federal universal service support; and
>
> (C) Other relevant factors as determined by the commission.
>
> (c) Except for a telecommunications utility described in ORS 759.040, the commission shall seek to limit the difference between the price a telecommunications utility may charge for basic telephone service and the benchmark.

Thus, under ORS 759.425, the Commission has received two grants of authority. Under ORS 759.425(1), the Commission has been given the authority to "use the universal service fund to ensure basic telephone service is available at a reasonable and affordable rate." Under ORS 759.425, the Commission is directed to use the universal service fund to "provide explicit support to an eligible telecommunications carrier that is equal to the difference between the cost of providing basic telephone service and the benchmark" minus some expressly delineated

[16] Subsection (6) of ORS 759.425 has to do with using the OUSF for broadband purposes under specifically delineated provisions.

support sources.

There is nothing in ORS 759.425 that creates ORS 759.425(3) as an express limitation on the Commission's authority under ORS 759.425(1). Indeed, when the Legislature wanted to limit the Commission's authority in ORS 759.425(1), it knew how to do so. In 2009, the Legislature amended ORS 759.425 to add a new subsection (6).[17] This amendment made the Commission's authority on the use of universal service funds expressly available for broadband funding under very limited and defined circumstances. As part of the amendment, the Legislature made the Commission's actions under ORS 759.425(1) expressly subject to subsection (6). With this amendment, ORS 759.425(1) now reads "Subject to subsection (6) of this section, the Commission shall use the universal service fund to ensure basic telephone service is available at a reasonable and affordable rate." (Emphasis supplied.) Thus, the Legislature demonstrated that it could condition the broad grant of authority under ORS 759.425(1) when it believed it appropriate to do so.

If the Legislature had wanted to limit the Commission's authority under ORS 759.425(1) to be subject to subsection (3), it could have done so, but it did not. ORS 759.425 does not read "subject to subsections (3) and (6) of this section...." Nor does it read "The Commission shall use the universal service fund to ensure basic telephone service is available at a reasonable and affordable rate under the standards set out in subsection (3) of this section." The limiting language simply does not exist.

[17] Chapter 885, Oregon Laws 2009.

UNDER RULES OF STATUTORY CONSTRUCTION, THE PROPOSAL IS CONSISTENT WITH ORS 759.425

In construing legislation, the goal is to discern the intent of the Legislature. ORS 174.020 and PGE v. Board of Labor and Industries, 317 Or. 606, 859 P.2d 1143 (1993). See, also, Roats Water System, Inc. v. Golfside Investments, LLC, 225 Or. App. 618, 623, 202 P.3d 109 (2009). Perhaps the clearest statement of the methodology to be used in determining legislative intent is set forth in the PGE case. There the Court stated as follows:

> In interpreting a statute, the court's task is to discern the intent of the legislature. To do that, the court examines both the text and context of the statute. That is the first level of our analysis.
>
> In this first level of analysis, the text of the statutory provision itself is the starting point for interpretation and is the best evidence of the legislature's intent. In trying to ascertain the meaning of a statutory provision, and thereby to inform the court's inquiry into legislative intent, the court considers rules of construction of statutory text that bear directly on how to read the text. Some of those rules are mandated by statute, including, for example, the statutory and joinder "not to insert what has been omitted, or to omit what has been inserted." ...
>
> Also at the first level of analysis, the court considers the context of the statutory provision at issue, which includes other provisions of the same statute and other related statutes. ...
>
> If the legislature's intent is clear from the above-described inquiry into text and context, further inquiry is unnecessary. 317 Or. at 610-611 (citations omitted).

The Court then goes on to describe the second level of inquiry into legislative intent as looking into the legislative history if the text and context do not demonstrate legislative intent.[18] Then, if the legislative intent is still unclear, the third level of inquiry is to resort to general maxims of statutory construction. In this case, the text and context of ORS 759.425 are sufficient to

[18] The methodology for statutory construction enunciated in PGE continues to be in effect to this day. The only change has been to allow more frequent reference to legislative history (modifying the "if, but only if" hurdle to use of legislative history) based on the Legislature's changes to ORS 174.020 after the PGE case. See, State v. Gaines, 316 Or. 160, 171-2, 206 P.3d 1042 (2009).

determine legislative intent.

As stated by the Court in Bird v. NORPAC Foods, Inc., 325 Or. 55, 60, 934 P.2d 382 (1996), "In that first level of analysis, the text of the statutory provision itself is the best evidence of the legislature's intent and provides the starting point for interpreting the statute." By looking at the text of ORS 759.425 as the starting point for statutory construction, it is clear that the Commission has two separate bases for action for the OUSF. The first one is in ORS 759.425(1) to use the universal service fund to ensure basic telephone service is available at a reasonable and affordable rate. The second is under ORS 759.425(3) to provide explicit support to an eligible telecommunications carrier that is equal between the difference of the cost of providing basic telephone service and the benchmark established by the Commission less defined federal support mechanisms. The language of ORS 759.425(1) could not be more clear. The Commission is to use the OUSF "to ensure basic telephone service is available at a reasonable and affordable rate." That is what the OECA Proposal accomplishes.

One of the basic rules in reviewing the text of the statute is "not to insert what has been omitted." ORS 174.010. See, e.g., Clackamas County v. Gay, 146 Or. App. 706, 710, 934 P.2d 551 (1997) (argument that ORS 836.625(1) should be read as replacing existing local land use regulations rejected because operative language was missing and could not be supplied). As pointed out in the discussion above, there is no limiting language in ORS 759.425(1) that makes it subject to subsection (3). Therefore, that language cannot be inserted by construction of the statute.

By way of further emphasis, the fact that the Legislature did not intend ORS 759.425(1) to be subject to any limitation in ORS 759.425(3) is conclusively demonstrated in the 2009 amendment to ORS 759.425. At that time, the Legislature added a new subsection (6) to ORS

759.425 to provide specific authority for the Commission to use OUSF support for broadband in certain defined conditions. When it did this, the Legislature amended ORS 759.425(1) to make the Commission's use of OUSF monies under subsection (1) subject to the newly added subsection (6). The Legislature did not make ORS 759.425(1) subject to subsection (3). If the Legislature had intended for ORS 759.425(1) to be subject to ORS 759.425(3), it could have remedied that oversight when it amended the statute in 2009. However, it did not.[19]

In reviewing the text of the statute, the examination is on the language itself. The legislative statement in ORS 759.425(1) is clear, simple and precise: the Commission is to "use the universal service fund to ensure basic telephone service is available at a reasonable and affordable rate." There is nothing ambiguous about this language. The OECA Proposal works to meet this goal by, in part, replacing the endangered access support for the PSTN with further universal service support. The OECA Proposal also helps keep rates for basic telephone service affordable by stopping the deterioration of intrastate access support for the PSTN by leveling the intrastate rate with the interstate rate. This is a change which should remove some of the incentive to engage in arbitrage. The OECA Proposal is entirely consistent with the intent and purpose of ORS 759.425.

While OECA asserts that the text of ORS 759.425 is by itself sufficient to determine the intent of the statute, the additional steps of the PGE statutory construction methodology will be addressed. After looking at the text of the statute, if legislative intent is not clear, the context of the statute is examined. What is meant by context is as follows: "... the context of a statutory provision includes other provisions of the same statute and other statutes on the same subject."

[19] OECA recognizes that bringing up the amendment to ORS 759.425(1) in 2009 is getting into legislative history. However, the comparison demonstrates why the text of the statute is clear.

Ecumenical Ministries of Oregon v. Oregon State Lottery Comm'n, 318 Or. 551, 560, 871 P.2d 106 (1994) (citing the PGE case).

First, consider other statutes on the same subject: ORS 759.425 was enacted with the legislative declaration in ORS 759.015 already in place. ORS 759.015 declares that it is "the goal of the State of Oregon to secure and maintain high-quality universal telecommunications service at just and reasonable rates for all classes of customers ... The Public Utility Commission shall administer the statutes with respect to telecommunications rates and services in accordance with this policy." Thus, ORS 759.425(1) is a clear implementation of the legislative direction of ORS 759.015: using universal service funds to keep basic telephone service rates affordable helps to secure and maintain high-quality universal telecommunications service at just and reasonable rates for all classes of customers. This is the purpose of the OECA Proposal. The OECA Proposal is consistent with ORS 759.425(1) and ORS 759.015.

In addition, it has been held that other sections of the same statute are part of the context for the analysis of a statute. Boone v. Wright, 314 Or. 135, 138, 836 P.2d 727 (1992). Comparing the language of ORS 759.425(1) with ORS 759.425(3) again demonstrates two separate statutory directives. Not only is ORS 759.425(1) not subject to subsection (3) like it is subject to subsection (6), the terms of subsection (3) contain no language to tie it to subsection (1). The Legislature did not say in subsection (3) anything like the following: "To implement subsection (1), the commission shall follow the steps set out in this subsection." To somehow conclude that subsection (3) limits the Commission's authority under subsection (1) would violate the directive in ORS 174.010 to give effect to all provisions of a statute. Thus, under the context of ORS 759.425, as well as the text, the OECA Proposal fulfills the intent and purpose of the statute.

Given what is happening with support for the PSTN in Oregon, the Commission is well within its authority under ORS 759.425 to approve the OECA Proposal. In fact, the OECA Proposal is expressly designed to meet the express directive of the Legislature to ensure that basic telephone service is available at a reasonable and affordable rate as set out in ORS 759.425(1). The Commission's approval of the OECA Proposal would also fulfill the legislative directive in ORS 759.015 to administer the statutes to secure and maintain high-quality universal telecommunications service at just and reasonable rates.

THE PROPOSAL IS CONSISTENT WITH ORS 759.425(3) AND THE COMMISSION'S DEFINITION OF BASIC LOCAL SERVICE

Under ORS 759.400(1), the Commission has authority to define basic telephone service. The Commission has done so by adopting OAR 860-032-0190. This rule reads, in pertinent part, as follows:

> (2) "Basic telephone service" means retail telecommunications service that is single party, has voice grade or equivalent transmission parameters and tone-dialing capability, provides local exchange calling, and gives customers access to but does not include:
>
> ... (b) Long distance service ....

The Commission's rule goes on to classify certain items as basic telephone service. These include residential single party flat rate local exchange service and business single party flat rate local exchange service. See, OAR 860-032-0190(3)(a) and (b).

Then, in OAR 860-032-0190(4) the Commission states as follows:

> Services that are not considered basic telephone service include but are not limited to the following:
> (a) Integrated Services Digital Network (ISDN) service;
> (b) Digital subscriber line service, also known as xDSL service;
> (c) Frame relay service;
> (d) Centrex-type service;
> (e) Private line or dedicated point-to-point service;
> (f) Packet switched service;

(g) Foreign exchange service;
(h) Multiparty service, such as two-party and four-party suburban service; and
(i) Custom calling features, such as call waiting and caller ID. (Emphasis supplied.)

There is nothing in this list of services that would suggest that access to long distance service (which reciprocally means that long distance carriers can access the customers) is to be included on the list of those items that are not basic telephone service. Indeed, by the definition of basic telephone service as including "access to" long distance service, the Commission's definition can be read as including access services to interexchange carriers that allow the local customers to place and receive long distance service. The actual prices paid by the customer for that long distance service are not included, but the access to those services are. Thus, the cost of providing access to long distance service is part of basic telephone service.

As noted previously, the Commission does not even have to get to the point of considering ORS 759.425(3). The Commission's authority under ORS 759.425(1) is sufficient. However, the Commission could also reach the conclusion based upon its definition of basic telephone service under OAR 860-032-0190 and the standards in ORS 759.425(3), that OECA's Proposal is within this statutory authority as well since it is funding the difference in cost to provide local service, including access to toll service, and the benchmark.

What this means is that under ORS 759.425(3), by approving the OECA Proposal, the Commission is following the legislative directive of funding the difference between the benchmark and the embedded cost of providing service, including access to long distance service. OECA's Proposal helps keep basic telephone service rates affordable by using OUSF support to replace endangered intrastate access support for the PSTN and, hence, basic telephone service. In fact, this is what the Commission did in Order No. 03-082 when it approved the settlement which called for OUSF support to first be applied to reducing the carrier common line portion of intrastate access service.[20] It is what the Commission should continue to do in the future to maintain affordable basic telephone service rates.

EXAMINATION OF LEGISLATIVE HISTORY AND COMMON RULES OF STATUTORY CONSTRUCTION ALSO DEMONSTRATES THAT THE OECA PROPOSAL FULFILLS THE LEGISLATIVE INTENT FOR ORS 759.425

If, after examining the text and context of a statute, legislative intent is not clear, then legislative history, followed by application of common rules of statutory construction are applied. In this instance, these two steps go hand-in-hand. The rule of statutory construction that is applicable is the long-standing administrative construction of ORS 759.425 to use OUSF funds to reduce intrastate access charges. The legislative history is the amendments to ORS 759.425 that did not change that administrative construction.

The use of OUSF support to reduce intrastate access rates is an administrative construction of ORS 759.425 has been applied by the Commission in each and every OECA access filing made since 2003. Those filings are made at least annually. Thus, each and every year since 2003, the Commission has used OUSF support to reduce intrastate access charges. This means that even if ORS 759.425 were not clear on its face, this long standing construction is owed deference.

In Beistel v. Public Employee Relations Board, 6 Or. App. 116, 120, 486 P.2d 1305 (1971), the Court of Appeals stated as follows: "If a statute is not clear on its face, contemporaneous administrative construction ... without legislative disapproval, is usually accorded great weight by the courts in determining its operations. State Highway Com. v.

[20] In addition, by reducing intrastate access rates to interstate access rate levels as set out in the Proposal, the Commission would be acting to fulfill the Legislature's directive that the Commission administer the statutes to provide "just and reasonable rates for all classes of customers." (Emphasis supplied.) If access rates continue to increase, access rates may reach a level where they are not just and reasonable.

Rawson, 210 Or. 593, 312 P.2d 849 (1957); City of Portland v. Duntley, 185 Or. 365, 203 P.2d 640 (1949)."

Including 2003, the year in which the Commission issued Order No. 03-082 calling for the use of OUSF support to reduce intrastate access charges, ORS 759.425 has been amended four times. If the Legislature was upset with the Commission's interpretation of ORS 759.425, it could have corrected that construction. It is helpful to look at each legislative change.

The first was a nearly contemporaneous action in 2003 where under Chapter 14, Sections 455 and 456, obsolete language in ORS 759.425(1) was removed. If the Legislature had felt there was something inappropriate with the Commission's decision that same year, it could have taken action to clarify the language in ORS 759.425 and it did not. In 2007, the Legislature changed language in ORS 759.425(1) to give the Commission the authority to adopt rules to conform the Oregon universal service fund to Section 254 of the Federal Act. If the Legislature thought the Commission was doing something contrary to legislative intent at that time, it could have made an additional change, but it did not. See, Laws of 2007, Chapter 353, Section 1.

The third legislative modification to ORS 759.425 came in 2009 in Chapter 885, Section 16. This change has been discussed earlier. A specific qualification related to broadband funding was added to ORS 759.425(1), and new language on use of OUSF funds for broadband was added in a new subsection (6). Again, the Legislature did not upset the use of OUSF support to reduce intrastate access charges as the Commission had been doing since 2003. The final change to ORS 759.425 came about this past legislative session in HB 2192, when the language of the new subsection (6) related to the use of OUSF for broadband was clarified. Again, there was no change to the Commission's use of OUSF funds to reduce intrastate access charges.

The Commission's construction of its authority under ORS 759.425 should stand. OUSF support can be used to make up lost support for the PSTN from reductions in intrastate access revenues, which in turn helps to maintain the affordability of basic telephone service.

THE PROPOSAL SATISFIES PUBLIC POLICY CONCERNS IN ADDITION TO MEETING THE REQUIREMENTS OF ORS 759.425

As OECA has demonstrated, the Proposal is consistent with ORS 759.425. In addition, it is supported by sound public policy. The Legislature has set out an explicit finding of public policy related to universal service. That statement is found in ORS 759.015 and reads as follows:

> The Legislative Assembly finds and declares that it is the goal of the State of Oregon to secure and maintain high-quality universal telecommunications service at just and reasonable rates for all classes of customers and to encourage innovation within the industry by a balanced program of regulation and competition. The Public Utility Commission shall administer the statutes with respect to telecommunications rates and services in accordance with this policy.

The OECA Proposal does exactly what the Legislature has stated as its goal. The Proposal moves in the direction that the Commission established in Order No. 03-082. The Proposal serves to reach the goal to secure and maintain high-quality telecommunications service at just and reasonable rates for all classes of customers.

Further, the Proposal takes steps to ensure the affordability of local basic telephone service in a way which also minimizes the opportunities for arbitrage between intrastate and interstate long distance traffic. By seeking to balance intrastate rates with interstate rates, the goal is to remove incentives for carriers to misclassify the traffic or to hide the nature of the traffic. This could have the salutary effect of increasing the proportion of access traffic that is classified as intrastate in nature. This process will also help lower the pressure on local service rates.

In addition, if intrastate access rates are reduced to the interstate level, the toll rates charged to Oregon consumers may well go down. As explained by Mr. Lawrence in his Declaration, attached as Attachment 5, his company makes toll service available to the customers in the Stayton service area. However, at the current time, his wholesale rates for service that he receives from the underlying carrier are approximately twice as high on the intrastate level as they are on the interstate level. This means that intrastate rates for those customers are higher than interstate calling rates. As expressed by Mr. Lawrence, the goal is to break even in providing the service to the customers. If intrastate wholesale toll rates are reduced because intrastate access rates are reduced, he can pass those savings on to Stayton customers and there is a very real benefit to those customers.

Finally, the OECA Proposal should help reduce call termination problems in the State of Oregon. As the Commission is exploring in Docket UM 1547, current call termination problems where calls are not delivered to rural service territory or are delivered with such poor call quality as to make communication impossible are presenting health and public safety issues. These call termination provisions are hurting economic development in rural areas since businesses cannot receive orders by phone and fax. These problems are even hurting tax revenues since calls that cannot be completed do not get billed and the tax revenue associated with those calls is not collected.

CONCLUSION

The OECA Proposal builds on what the Commission has already done in UM 1017. The OECA Proposal seeks to maintain basic telephone service rates at affordable levels. It does this by replacing unstable intrastate access charge support for the PSTN with further universal service support. It also serves to try to stabilize intrastate access charge support for the PSTN so that it remains a viable source of support. As intrastate access revenues are under attack, that creates pressure to increase local service rates for basic telephone service. The OECA Proposal seeks to take steps to ensure that rates for basic telephone service remain affordable. Further, the Commission's adoption of the OECA Proposal would be consistent with the legislative direction that the Commission administer its statutes in a way to ensure high-quality universal telecommunications service is available at just and reasonable rates for all classes of customers.

OECA respectfully requests that the Commission issue an order holding that the OECA Proposal is consistent with ORS 759.425.

Respectfully submitted this 8th day of September, 2011.

By:________________________________

Richard A. Finnigan, OSB No. 965357
Attorney for the Oregon Exchange
Carrier Association

ATTACHMENT 1

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1017(3)

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Expansion of the Oregon Universal Service Fund to Include the Service Areas of Rural Telecommunications Carriers	DECLARATION OF LANCE EVES

I, Lance Eves, hereby declare under penalty of perjury under the laws of the state of Oregon that the following statements are true and correct:

1. I am the Chief Operations Officer for Molalla Communications and make this Declaration in that capacity.

2. Molalla Communications has ran into situations where it has billed interexchange carriers based on CABS records. The bills have been disputed based on the claim that the traffic involved is VoIP originated traffic. The further argument is made that the basis for the position are rulings from the Federal Communications Commission. Even if Molalla Communications denies the dispute, the interexchange carrier refuses to pay the full amount of the access invoice.

Dated this 8th day of September, 2011.

LANCE EVES

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, WA 98512
(360) 956-7001

ATTACHMENT 2

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1017(3)

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Expansion of the Oregon Universal Service Fund to Include the Service Areas of Rural Telecommunications Carriers	DECLARATION OF CRAIG PHILLIPS

I, Craig Phillips, hereby declare under penalty of perjury under the laws of the State of Oregon that the following statements are true and correct:

1. I am the Administrator for the Oregon Exchange Carriers Association and make this Declaration in that capacity.

2. I have been Administrator of OECA since 1986. Based upon my own review of OECA's records, I can state that in 2004, the OECA had $13,569,937 in access revenues. It is projected that for 2011 the OECA pool will have $12,243,564 in access revenues. Please note that these numbers have been adjusted to reflect that Beaver Creek Cooperative Telephone Company was not a pool member for the entire period.

3. I can further state that for the same period of time, intrastate access minutes for the OECA pool have declined from 260,286,027 for calendar year 2004 to the projected total of 123,316,000 for the 2011 pool year. Over the same period of time, the composite intrastate access rates of OECA pool members have increased from $.05124 per minute to $.09929 per minute of use.

Dated this 8th day of September, 2011.

Craig Phillips

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, WA 98512
(360) 956-7001

ATTACHMENT 3

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1017(3)

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Expansion of the Oregon Universal Service Fund to Include the Service Areas of Rural Telecommunications Carriers	DECLARATION OF BRANT WOLF

I, Brant Wolf, hereby declare under penalty of perjury under the laws of the State of Oregon that the following statements are true and correct:

1. I am the Executive Vice President of the Oregon Telecommunications Association ("OTA") and make this Declaration in that capacity.

2. In Docket UM 1481, OTA filed certain graphs containing data on the effect of access charges and local rates on July 19, 2010. The same information was also filed with the Federal Communications Commission in WC Docket No, 10-90, et. al on July 12, 2010. Table 2 in the Brief of the Oregon Exchange Carrier Association on the Question of Whether the Proposal by the

Oregon Exchange Carrier Association is Consistent with ORS 759.425 is a true and correct copy of the table showing the possible effect on local service rates.

Dated this 8th day of September, 2011.

BRANT WOLF

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, WA 98512
(360) 956-7001

ATTACHMENT 4

OECA
UM1017(3) OUS CALCULATION
Company Name: 8/04/11

	TOTAL
1. TOTAL COMPANY PROJECTED 2011 REVENUE REQUIREMENT (Part 36 revenue requirement as developed for the 2011 OECA tariff filing.)	214,833,160
2. ADD OR DEDUCT INTERSTATE IMPACT OF ADJUSTMENTS, TYPICALLY: 2a. Telephone Plant Under Construction 2b. Cash Working Capital 2c. Customer Deposits 2d. Interest on Customer Deposits 2e. Charitable Deductions 2f. Unfunded Other Post Employment Benefits	(583,680)
3. TOTAL COMPANY REVENUE REQUIREMENT (Line 1 plus or minus line 2)	214,249,480
4. DEDUCT INTERSTATE REV REQ PER FCC RULES (CL(including ICLS and SLC), Switched Access (including LSS), Special Access & B&C)	(71,579,641)
5. TOTAL STATE REVENUE REQUIREMENT (Includes CL, Switched Access, Special Access, B&C Local and EAS) (Line 3 Less line 4)	142,669,839
6. DEDUCT INTRASTATE SPECIAL ACCESS REV REQ	(3,867,251)
7. DEDUCT INTRASTATE B&C AND IX REV REQ	(3,583,378)
8. ADD AVERAGE SCHEDULE COMPANIES	4,782,584
9. INTRASTATE ACCESS & LOCAL REVENUE REQUIREMENT (Includes CL, Switched Access, Local and EAS) (Line 5 Less lines 6 and 7 plus line 8)	140,011,774
10. LOCAL AND EAS REVENUE REQUIREMENT	118,335,855
11a. DEDUCT HIGH COST LOOP SUPPORT (USF)	(19,138,832)
11b. DEDUCT SAFETY NET ADDITIVE & SAFETY VALVE	(609,024)
11c. DEDUCT BENCHMARK OR HIGHER RATE	(56,948,925)
11. TOTAL LOCAL AND EAS SUPPORT	(76,696,781)
12. REMAINING LOCAL AND EAS REV REQUIREMENT (Line 10 minus line 11)	41,639,074
13. INTRASTATE CL & SWITCHED ACCESS REVENUE REQUIREMENT (Line 9 Less line 10)	21,675,919
14. STATE ACCESS CEILING (Line 9 minus line 10, reduced by line 12, if negative only)	21,675,919
15. DEDUCT INTRASTATE REVENUES @ INTERSTATE RATES	(2,483,812)
16. DEDUCT CURRENT OUS FUNDING UP TO CEILING	(7,262,526)
17. ADJUSTMENT FOR AMOUNT ABOVE CEILING	278,018
18. ADDITIONAL OUS FUNDING (Line 14 Less lines 15 and 16 Plus line 17)	12,207,600

ATTACHMENT 5

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1017(3)

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Expansion of the Oregon Universal Service Fund to Include the Service Areas of Rural Telecommunications Carriers	DECLARATION OF DON LAWRENCE

I, Don Lawrence, hereby declare under penalty of perjury under the laws of the State of Oregon that the following statements are true and correct:

1. I am the President and CEO of Stayton Cooperative Telephone Company and make this Declaration in that capacity.

2. Stayton offers toll services to customers in the company's service area. Stayton is not a facilities based toll provider. Instead, Stayton offers the toll services on a reseller basis. As such, Stayton purchases wholesale toll minutes from other carriers. Currently, the price for interstate toll minutes is about one-half what Stayton is charged for wholesale intrastate minutes. Not surprisingly, the intrastate access charges are about double what the interstate access charges.

3. Stayton's goal in offering toll services is to be sure the customers have options for service and Stayton attempts to at least break-even on the rates offered to its customers. My assumption is that if intrastate access rates are reduced to the equivalent level of interstate access rates, the wholesale intrastate toll minutes would be available at the same level, or nearly so, as the wholesale interstate toll minutes. I can state with confidence that if that occurred, the savings would be passed on to the retail customers in the form of lower intrastate toll rates.

Dated this 8th day of September, 2011.

Don Lawrence

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, WA 98512
(360) 956-7001

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, Washington 98512
Fax (360) 587-3852

Richard A. Finnigan
(360) 956-7001
rickfinn@localaccess.com

Kathy McCrary, Paralegal
(360) 753-7012
kathym@localaccess.com

September 8, 2011

VIA E-MAIL AND FEDERAL EXPRESS

Filing Center
Oregon Public Utility Commission
550 Capitol St NE Ste 215
Salem, OR 97301-2551

Re: UM 1017(3) – Brief of the Oregon Exchange Carrier Association on the Question of Whether the Proposal by the Oregon Exchange Carrier Association is Consistent with ORS 759.425

Dear Sir/Madam:

Enclosed are the original and five copies of the Brief of the Oregon Exchange Carrier Association on the Question of Whether the Proposal by the Oregon Exchange Carrier Association is Consistent with ORS 759.425. Also enclosed are the original and five copies of a Certificate of Service.

Thank you for your attention to this matter.

Sincerely,

RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Service List (via e-mail)
Client (via e-mail)

CERTIFICATE OF SERVICE
UM 1017(3)

I certify that I have this day sent the attached Brief of the Oregon Exchange Carrier Association on the Question of Whether the Proposal by the Oregon Exchange Carrier Association is Consistent with ORS 759.425 by electronic mail and Federal Express to the following:

FILING CENTER
PUBLIC UTILITY COMMISSION OF OREGON
550 CAPITOL ST NE STE 215
SALEM, OR 97301-2551
puc.filingcenter@state.or.us

I further certify that I have this day sent the attached Brief of the Oregon Exchange Carrier Association on the Question of Whether the Proposal by the Oregon Exchange Carrier Association is Consistent with ORS 759.425 by electronic mail to the following parties or attorneys of parties:

CHARLES L BEST
1631 NE BROADWAY #538
PORTLAND, OR 97232-1425
chuck@charleslbest.com

CYNTHIA MANHEIM
AT&T
PO BOX 97061
REDMOND, WA 98052
cindy.manheim@att.com

DAVID COLLIER
AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST INC.
645 E PLUMB LN
PO BOX 11010
RENO NV 89502
david.collier@att.com

SHARON L MULLIN
DIRECTOR-EXTERNAL AFFAIRS
AT&T SERVICES, INC.
400 W 15TH ST, STE 930
AUSTIN, TX 78701
slmullin@att.com

ARTHUR A BUTLER
ATER WYNNE LLP
601 UNION STREET, STE 1501
SEATTLE WA 98101-3981
aab@aterwynne.com

JOEL PAISNER
ATER WYNNE LLP
601 UNION STREET, STE 1501
SEATTLE WA 98101-3981
jrp@aterwynne.com

WILLIAM E. HENDRICKS
CENTURYLINK, INC.
805 BROADWAY ST
VANCOUVER, WA 98660-3277
tre.hendricks@centurylink.com

ROBERT JENKS
EXECUTIVE DIRECTOR
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND, OR 97205
bob@oregoncub.org

G. CATRIONA MCCRACKEN
LEGAL COUNSEL/STAFF ATTY
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND, OR 97205
catriona@oregoncub.org

RAYMOND MYERS, ATTORNEY
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND, OR 97205
ray@oregoncub.org

DOUG COOLEY
GOVERNMENT AFFAIRS MANAGER
COMCAST BUSINESS COMMUNICATIONS LLC
1710 SALEM INDUSTRIAL DRIVE NE
SALEM, OR 97303
doug_cooley@cable.comcast.com

TIM SPANNRING
OPERATIONS MANAGER
COMSPAN COMMUNICATIONS INC.
278 NW GARDEN VALLEY BLVD
ROSEBURG OR 97470
tims@comspancomm.com

ALAN J. GALLOWAY
DAVIS WRIGHT TREMAINE LLP
1300 SW FIFTH AVE STE 2300
PORTLAND, OR 97201-5682
alangalloway@dwt.com

PHYLLIS WHITTEN
FRONTIER COMMUNICATIONS
9260 E STOCKTON BLVD
ELK GROVE, CA 95624
phyllis.whitten@ftr.com

RENEE WILLER, EXTERNAL AFFAIRS MANAGER
FRONTIER COMMUNICATIONS OF AMERICA
20575 NW VON NEUMANN DR
BEAVERTON, OR 97006-6982
renee.willer@ftr.com

CARSTEN KOLDSBAEK
CONSULTING MANAGER
GVNW CONSULTING INC.
PO BOX 2330
TUALATIN, OR 97062
ckoldsbaek@gvnw.com

JIM RENNARD
CONSULTING MANAGER
GVNW CONSULTING INC.
PO BOX 2330
TUALATIN, OR 97062
jrennard@gvnw.com

JEFFRY H. SMITH
VICE PRESIDENT & REGIONAL MANAGER
GVNW CONSULTING INC.
PO BOX 2330
TUALATIN, OR 97062
jsmith@gvnw.com

ADAM LOWNEY
MCDOWELL RACKNER & GIBSON PC
419 SW 11TH AVE., SUITE 400
PORTLAND, OR 97205
adam@mcd-law.com

LISA F. RACKNER, ATTORNEY
MCDOWELL RACKNER & GIBSON PC
419 SW 11TH AVE., SUITE 400
PORTLAND, OR 97205
lisa@mcd-law.com

MICHAEL DEWEY, EXEC. DIRECTOR
OCTA
1249 COMMERCIAL ST SE
SALEM, OR 97302
mdewey@oregoncable.com

ROGER WHITE, PROGRAM MANAGER
PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 2148
SALEM OR 97308
roger.white@state.or.us

MICHAEL WEIRICH
ASSISTANT ATTORNEY GENERAL
DEPARTMENT OF JUSTICE
BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM, OR 97301-4096
michael.weirich@doj.state.or.us

MARK REYNOLDS
CENTURYLINK
1600 7TH AVE RM 3206
SEATTLE WA 98191
mark.reynolds3@qwest.com

RON TRULLINGER
CENTURYLINK
310 SW PARK AVE, 11TH FL
PORTLAND, OR 97205
ron.trullinger@centurylink.com

LYNDALL NIPPS
VICE PRESIDENT, REGULATORY AFFAIRS
TW TELECOM OF OREGON LLC
9665 GRANITE RIDGE DR STE 500
SAN DIEGO, CA 92123
lyndall.nipps@twtelecom.com

RICHARD B SEVERY
ASST GENERAL COUNSEL
VERIZON BUSINESS
2775 MITCHELL DR, BLDG. 8-2
WALNUT CREEK CA 94598
richard.b.severy@verizonbusiness.com

MILT H DOUMIT
DIRECTOR-STATE GOVT. RELATIONS
VERIZON COMMUNICATIONS NORTHWEST INC.
410 - 11TH AVE SE, STE 103
OLYMPIA, WA 98501
milt.h.doumit@verizon.com

RUDOLPH M REYES
VERIZON CORPORATE COUNSEL
201 SPEAR STREET, 7TH FLOOR
SAN FRANCISCO CA 94105
rudy.reyes@verizon.com

MARSHA SPELLMAN
WARM SPRINGS TELECOMMUNICATIONS
10425 SW HAWTHORNE LN
PORTLAND OR 97225
marsha.spellman@warmspringstelecom.com

ADAM HAAS
WSTC
10425 SW HAWTHORNE LN
PORTLAND OR 97225
adam.haas@warmspringstelecom.com

MARC M. CARLTON, ATTORNEY
WILLIAMS, KASTNER & GIBBS PLLC
888 SW FIFTH AVENUE, SUITE 600
PORTLAND, OR 97204-2025
mcarlton@williamskastner.com

Dated at Olympia, Washington, this 8th day of September, 2011.

Richard A. Finnigan, OSB #965357
Attorney for the Oregon Exchange Carrier Association

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, WA 98512
(360) 956-7001