

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF CUSTER TELEPHONE BROADBAND)	CASE NO. CTB-T-14-01
SERVICES LLC FOR DESIGNATION AS AN)	
ELIGIBLE TELECOMMUNICATIONS)	
CARRIER FOR LOW-INCOME SUPPORT)	ORDER NO. 33002
)	

On January 6, 2014, Custer Telephone Broadband Services LLC (the “Company”) applied to the Idaho Public Utilities Commission (the “Commission”) for an Order designating it as an eligible telecommunications carrier (“ETC”) that can participate in Lifeline and receive universal service fund, low-income support in the Salmon, Idaho exchange area (the “Designated Service Area”). Application at 1.

On March 4, 2014, the Commission issued a Notice of Application and Notice of Modified Procedure that set a 21-day comment period. *See* Order No. 32989. The Commission Staff submitted the only comments and supported the Company’s Application.

Having reviewed the record, we issue this Order approving the Application as follows.

THE APPLICATION

In its Application, the Company says it is a wholly owned subsidiary of Custer Telephone Cooperative, Inc. with its principal place of business in Challis, Idaho. The Company’s Certificate of Public Convenience and Necessity authorizes it to provide local exchange and interexchange services in Idaho. The Company is a full-service wireline carrier that provides facilities-based, local exchange services in the Designated Service Area. The Company says the Designated Service Area does not include areas served by rural telephone companies, and is part of the service area of CenturyTel of Idaho, Inc. dba CenturyLink. *Id* at 1-2, 4, and 7.

The Company says it meets the requirements to be an ETC under Section 214(e) of the federal Telecommunications Act (47 U.S.C. § 214(e)), the Federal Communications Commission’s eligibility rules and orders (47 C.F.R. §§ 54.201, 54.202, and 54.405; and FCC 12-11 (the “*Lifeline Reform Order*”), and the Commission’s eligibility requirements as specified in Commission Order No. 29841. *Id.* at 1, 3-4. Specifically, the Company says it (1) is a

common carrier; (2) offers services that are supported by federal universal support mechanisms; (3) will use its own facilities, in whole or in part, to provide the supported services; (4) will provide the supported services throughout its Designated Service Area, including access to the public switched telephone network, local calling service, access to emergency services, as well as access to operator services and directory assistance; (5) will advertise the availability of such services using media of general distribution; (6) will make Lifeline service available to qualifying low-income consumers; (7) will certify that it will comply with the service requirements applicable to support that it receives; (8) will remain functional in emergency situations; (9) will satisfy consumer protection and service quality standards; (10) will provide local usage plans comparable to the incumbent local exchange carriers (“ILECs”) already operating in the proposed Designated Service Area; (11) will notify any affected tribal governments or tribal regulatory authorities; (12) will comply with all applicable reporting requirements; and (13) will take steps to limit fraud, waste and abuse of the federal USF. *Id.* at 3-7.

The Company says that granting its Application will serve the public interest and the market by promoting additional service offerings in the Designated Service Area and enabling the Company to offer Lifeline to qualifying consumers. This will lower costs, increase quality and customer choice, and incent other carriers to improve their networks and service offerings. *Id.* at 8.

STAFF COMMENTS

Staff reviewed the Company’s Application and opined that it complies with the federal Telecommunications Act of 1996, the *Lifeline Reform Order*, and Commission Order No. 29841. Staff’s comments are summarized below.

A. Public Interest Considerations

Staff says the Company’s Application serves the public interest. Staff typically analyzes whether a company’s ETC application serves the public interest by asking whether: (1) the company contributes to Idaho Funds; and (2) the company’s application raises “cream skimming” concerns.¹ Here, the Company’s CPCN requires the Company to report number utilization forecasts and contribute to the Idaho Universal Service Fund, Idaho

¹ Where an applicant asks to be designated as an ETC for part of a rural telephone company’s study area, concerns arise that the applicant intends to “cream skim” in the rural study area by serving only the low-cost, high revenue customers in the rural telephone company’s study area. *See* Order No. 29541 at 16.

Telecommunications Relay System, Idaho Telephone Assistance Program and any future reporting requirements deemed appropriate for competitive telecommunications providers. *See* Order No. 32383 at 3. In addition, no “cream skimming” concerns exist because the Company requests ETC designation for an area served by a non-rural incumbent local exchange carrier. Staff thus believes the Company’s Application serves the public interest. Staff Comments at 2-3.

B. Network Improvement Plan

Staff concurs with the Company that its ETC Application need not include a network improvement plan. The Commission does not require a network improvement plan when an ETC only seeks Lifeline (low-income) support. *See* CRI-T-11-01, Order No. 32501. As the FCC explains: Lifeline-only ETCs do not receive funds to improve or extend their networks; thus, there is “little purpose in requiring such plans as part of the ETC designation process.” *See Lifeline Reform Order* p. 163, ¶ 386. Here, the Company requests only low-income USF support. Staff thus agrees that the Company’s Application need not include a network improvement plan. Staff Comments at 3-4.

C. Ability to Remain Functional in Emergencies

Staff believes that the Company can function in an emergency as required by the Idaho ETC Order and Section 54.202(a)(2) of the FCC’s Rules, 47 C.F.R. § 54.202(a)(2). Staff notes that the Company uses its own redundant facilities. Accordingly, in emergencies the Company’s customers will be able to access reasonable amounts of backup power during external power outages, and the Company can reroute traffic around damaged facilities and manage traffic spikes. The emergency functionality requirement is, therefore, satisfied. Staff Comments at 4.

D. Other ETC Designation Requirements.

Staff confirms that the Company meets the other ETC requirements from Appendix 1 of Order No. 29841. Specifically, the Company: (1) is a common carrier as defined in U.S.C. Title 47; (2) will provide the supported services listed in Sections 54.101 and 54.202(a) of the FCC’s Rules (47 C.F.R. § 54.101(a) and 47 C.F.R. § 54.202(a)); (3) will advertise the availability and rates for its services described in the Application through media of general distribution; (4) will provide the supported services; (5) commits to satisfying all applicable state and federal consumer protection requirements and service quality standards; (6) will offer rate plans that will provide local usage consistent with Section 54.101(a)(2); and (7) will provide tribal notifications.

Staff Comments at 4-5. The Company thus meets all applicable requirements for designation as a Lifeline-only ETC. Staff Comments at 4-5.

DISCUSSION

We have reviewed the record, including the Company's Application and Staff's comments. Based on the information provided, we find the Company has the requisite technical, financial and managerial expertise to be an ETC in Idaho. We further find the Company is committed to fulfilling the obligations of Idaho ETC: the Company will provide all universal services supported by the federal USF throughout its Designated Service Area; it has addressed all public interest questions that accompany an ETC application; and it will provide service plans in accordance with its CPCN. We thus find that the Company's Application for designation as an ETC is in the public interest and we approve it.

ORDER

IT IS HEREBY ORDERED that the Company's Application for ETC designation is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st
day of March 2014.



PAUL KJELLANDER, PRESIDENT

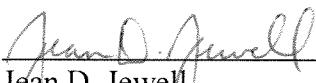


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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