

Idaho Telecommunications

With the passage and signing of House Bill 224 in 2005, local exchange companies operating in Idaho were provided the option of removing their services from rate regulation. Idaho's two largest telecommunications companies, Qwest Communications, both North and South, and Verizon Northwest, lost no time in taking advantage of this option, announcing their election to seek price deregulation shortly after the new legislation became law. In 2007, Citizens Telecommunications, doing business as Frontier Communications of Idaho, also opted into price deregulation.

While the services of all regulated telecommunications companies remain under commission jurisdiction for customer service and quality issues, the rate deregulated companies no longer need to seek commission approval to adjust rates. (Qwest South had elected price deregulation for all of its services except basic local exchange service in 1988.) Rate increases are limited, with caps that increase annually, and are eliminated after three years, unless the commission extends them for two additional years. In August of 2008, the three-year transition period with caps expired for Qwest and Verizon.

On June 1, 2007, Qwest increased its basic local exchange rate by 20 percent. In July 2007, Verizon increased its local service rates by 10 percent. In August 2007, Citizens notified the Commission that it would increase its monthly residential rates by 10 percent.

These companies provide service to more than 90 percent of the telephone lines in Idaho, so the overwhelming majority of Idahoan's telephone service is no longer subject to rate regulation.

In 2009, CenturyTel merged with Embarq and is doing business as CenturyLink. Awaiting final approval on a federal level is the bid of Frontier Communications to acquire Verizon wireline assets, creating the nation's largest pure rural telecommunications service provider. Verizon operates in northern Idaho from about Orofino north. Frontier currently has Idaho customers in the Elk City, McCall and Cascade regions.

Wireless company qualifies for high-cost support in rural Idaho

Case No. CTL-T-09-01, Order No. 30867

August 6, 2009

The Commission granted a request by Cambridge-based CTC Telecom, Inc., to be declared eligible to receive federal funds to expand its wireless network to serve Adams, Boise, Gem and northern Washington counties.

The Commission ruled that CTC Telecom, which will operate as Snake River PCS, qualifies as an “eligible telecommunications carrier” (ETC). The designation means the wireless carrier can receive about \$171,300 each year from the federal Universal Service Fund (USF).

The USF was created by Congress to ensure that telephone consumers in rural areas – where it costs more to build a telephone network – can have access to the same telecommunications services as consumers in urban areas at roughly the same cost. All telephone companies providing interstate service contribute to the USF. The companies pass that cost on to their consumers who currently pay about 12.9 percent of their bill each month to support the Universal Service Fund. That charge is adjusted yearly.

The commission granted ETC status for CTC Telecom in the communities of New Meadows, Council, Indian Valley, Cambridge, Garden Valley, Horseshoe Bend, Idaho City and Lowman.

ETC status for CTC Telecom is in the public interest, the commission said, because the carrier can provide a competitive choice for telephone consumers. CTC Telecom certified to the commission that it has or will soon have the ability to provide local calling, access to emergency services, operator services, directory assistance and long-distance calling.

The commission denied CTC’s request to serve in the Midvale Telephone Exchange because CTC did not demonstrate to the commission that it would serve the entire exchange. Carriers seeking ETC status must provide service throughout their requested service area, not just in places where there is a higher concentration of customers. Carriers are denied ETC status if they engage in “cream skimming,” or serving only those customers within an exchange’s lower cost areas and not building the network out to also take in customers in more remote, high-cost areas.

CTC denied it was targeting low-cost areas in the Midvale exchange. However, CTC’s decision to disaggregate the Midvale service area requires the commission to adhere to its previous rulings granting ETC status only in those areas where an entire service area is included in the carrier’s expansion plans.

By granting ETC status, Snake River PCS customers who meet state Health and Welfare Department guidelines will also become eligible to participate in the Idaho Telecommunications Service Assistance Program.

Sometimes referred to as “Lifeline,” the program helps to ensure low-income Idahoans, including senior citizens, have access to local dial-tone service for medical and other emergencies. Lifeline is funded by federal funds in addition to a monthly charge of 6 cents per line for each Idaho residential, business and wireless customer. The revenue from that charge and the federal funds allow Lifeline to discount the monthly bills of qualifying participants by \$13.50 per month.

Idaho participates in nationwide Lifeline Awareness Week Low-income households can benefit from telephone assistance program

Local telephone service provides more than social connection. When it's necessary to call "911" or a family member in times of emergency, local telephone service can be a lifeline.

The Idaho Public Utilities Commission joined state commissions across the nation and consumer groups to increase awareness of "Lifeline," a joint federal and state program to provide local telephone service to low-income households.

The Idaho commission, along with the Federal Communications Commission and the National Association of Regulatory Utility Commissioners, declared Sept. 14-20 "Lifeline Awareness Week."

Lifeline helps to ensure that low-income Idahoans, including many senior citizens, have access to local dial-tone service for medical and other emergencies. The federal Universal Service Fund provides a discount of \$10 per month while the state-level program – the Idaho Telephone Service Assistance Program (ITSAP) – adds another \$3.50 per month per qualifying household. That \$13.50 per month discount amounts to a significant reduction to residential phone bills.

About 28,000 Idaho households participated in the program during 2008. This is out of a total of 618,000 local access wirelines and 984,500 local access wireless lines.

According to figures recently released by the FCC, about 97.3 percent of Idaho households had telephone service, a penetration rate that ranks eighth in the nation. For telephone subscribers with an annual income of less than \$10,000, Idaho has a penetration rate of 95.2 percent, or fourth in the nation.

Part of the reason for Lifeline Awareness Week in Idaho is to celebrate our success in getting telephone service to the vast majority of households, including low-income households," said Jim Kempton, president of the Idaho Public Utilities Commission. "However, we know there are Idahoans who do not have telephone service, but would if they were aware Lifeline is available," he said.

The state portion of the Lifeline program is funded by a 6-cent per line, per month charge on residential, business and wireless phone lines. The state Department of Health and Welfare determines who qualifies for the program, while the Public Utilities Commission determines the statewide uniform monthly charge.

Lifeline assistance is now available for customers of wireless telephone carriers that have been declared eligible telecommunications carriers by the commission.

Those with questions regarding Lifeline can call the Commission at 334-0300 or 1-800-432-0369 or access the Commission Web site at: <http://www.puc.idaho.gov/CONSUMER/ITSAP.PDF>

You can also contact your local telephone company or your local Community Action Partnership (CAP) agency. A list of CAP agencies and contact information is available on the Commission Web site at: <http://www.puc.idaho.gov/CONSUMER/counties.htm>

Telecommunication Utilities Under PUC Jurisdiction

Albion Telephone Corp (ATC) , P.O. Box 98, Albion, Idaho 83311-0098 **208/673-5335**

Cambridge Telephone Co. P.O.Box 88, Cambridge, Idaho 83610-0086 **208/257-3314**

CenturyTel of Idaho, Inc., P.O.Box 1007, Salmon, Idaho 83467 **208/756-3300**

CenturyTel of the Gem State, P.O.Box 9901, 805 Broadway, Vancouver, WA 98668
360/905-5800

Also: 111 A Street, Cheney, Washington 99114 **509/235-3170**

***Frontier, A Citizens Telecommunications Company of Idaho**

P.O. Box 708970, Sandy, Utah 84070-8970 **801/274-3127**

Local: 201 Lenora Street, McCall, Idaho 83638 **208/634-6150**

Inland Telephone Co., 103 South Second Street, Box 171, Roslyn, WA 98941
509/649-2211

Fremont Telecom, Inc., 110 E. Main Street, St. Anthony, Idaho 83445 **208/624-7300**

Midvale Telephone Exchange, Box 7, Midvale, Idaho 83645-0007 **208/355-2211**

***Verizon Northwest, Inc.**, 20575 N.W. Von Neumann Dr., Hillsboro, OR 97006 **503/629-2285**

Local: 208/765-4351 (Coeur d'Alene); 800/483-4100 (Moscow); 208/263-0557, Ext. 204 (Sandpoint)

Oregon-Idaho Utilities, Inc., 3645 Grand Ave., Ste. 205A, Oakland, CA 94610 **510/338-4621**

Local: 1023 N. Horton St., Nampa, Idaho 83653 **208/461-7802**

Pine Telephone System, Inc., Box 706, Halfway, OR 97834 **541/742-2201**

Potlatch Telephone Company, dba/ TDS Telecom, Box 138, 702 E. Main St.
Kendrick, Idaho 83537 **208/835-2211**

Direct Communications Rockland, Inc., Box 269, 150 S. Main St. Rockland, ID 83271
208/548-2345

Rural Telephone Company, 829 W. Madison Avenue, Glens Ferry, Idaho 83623-2372
208/366-2614

Silver Star Telephone Company, Box 226, Freedom, WY 83120 **307/883-2411**

Columbine Telephone Co. Inc., dba Teton Telecom Box 900, Driggs, Idaho 83422
208/354-3300

***Qwest Communications**, North and South Idaho, Box 7888 (83723) or
999 Main Street, Boise, Idaho 83702 **800/339-3929**

**These companies, which represent more than 90 percent of Idaho customers, are no longer rate regulated.*