

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.) In August of 2008, the three-year transition period with caps expired for Qwest and Verizon.

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.

Case No. GNR-T-10-04, Order No. 32058
September 2, 2010

Surcharge for universal service to increase

A surcharge that helps telephone companies provide service to high-cost rural areas will increase slightly on Oct. 1.

The Idaho Telecommunications Act of 1988 created the Universal Service Fund (USF) to maintain universal availability of local telephone service at reasonable rates in areas where greater distances and fewer customers makes providing service more costly than providing the same service in urban areas. Idaho Code 62-610A, states that, "all consumers in this state, without regard to their location, should have comparable accessibility to basic telecommunications services at just and reasonable rates." With assistance from the Universal Service Fund, rural telephone companies are able to keep their rates at no more than 25 percent above rates in more urban areas.

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All telephone companies pay to the fund through a surcharge on customer bills. The commission's order increases the amount telephone customers pay from 10 cents per residential line per month to 12 cents and from 17 cents per business line to 19 cents. Customers of long distance companies also pay the surcharge. The surcharge for in-state toll calls will increase from \$.003 (three-tenths of a cent) per minute to \$.0035 per minute.

The surcharge collected \$1.73 million for USF through June 30, but payments from USF to the eight rural companies that qualify totaled \$1.82 million. Although disbursements are down from \$1.94 million last year, disbursements still exceed the amount collected by the surcharge, necessitating the increase.

With the increasing use of cellular phones, the number of residential and business landlines continues to decrease. As of May 1, telephone companies reported an inventory of 328,592 residential lines, a nearly 11 percent decrease from the previous year. Business lines also decreased by 2 percent to 219,752. Long-distance billed minutes declined by 6 percent.

The eight telephone companies that qualify for USF disbursements include: Albion Telephone Company, Cambridge Telephone Company, Direct Comm of Rockland, Inland Telephone Company of Roslyn, Wash. (serving Idaho customers in Lenore and Leon), Fremont Telecom, Inc. of St. Anthony; Midvale Telephone Exchange, Rural Telephone Co. of Glens Ferry and Silver Star Telephone Co. of Freedom Wyo. (serving Idaho customers in the eastern portions of Bonneville and Caribou counties).

Case No. TIM-T-08-01, Order No. 32059
August 31, 2010

Commission denies Time Warner reconsideration

The commission said it will not reconsider a February order that said Time Warner does not need a certificate to provide wholesale telecommunications services in Idaho.

Time Warner wants to provide VoIP services (Voice Over Internet Protocol) to commercial customers who then may sell to residential and/or small-business customers. Time Warner asked the commission to grant it a Certificate of Public Convenience and Necessity (CPCN).

Incumbent local exchange telecommunications providers – such as Qwest and Frontier Communications (formerly Verizon) – and competitors that provide telecommunications services using the facilities of incumbent providers, must obtain a CPCN to provide residential exchange service to end-users in Idaho.

The commission said it has no authority or jurisdiction to grant the certificate because Time Warner does not intend to provide services at a retail level, or directly to residential or small-business end-users. Instead, it will provide services on a purely wholesale basis. "Time Warner will essentially be a carrier's carrier," the commission said.

Time Warner alleges that without a certificate, it won't be able to interconnect with local exchange services and it will have difficulty obtaining telephone numbers for its customers from

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a national agency that allocates numbers. Time Warner plans to interconnect with Qwest in southern Idaho and Frontier Communications in northern Idaho. By not issuing it a certificate, Time Warner alleges the state is creating a barrier to competition, a violation of both federal and state law.

But the commission said denial of the CPCN does not mean the company cannot operate in the state.

“If any Idaho local exchange company refuses to enter into an interconnection agreement with Time Warner, Time Warner’s remedy is to file a complaint with the commission,” the commission said. Federal law requires telecommunication carriers to interconnect with competitors. The incumbent companies have a duty to negotiate in good faith and interconnect with any requesting telecommunications carrier, the commission said.

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.*