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IDAHO PUBLIC
UTILITIES COMMISSION

January 6, 2014

Via Hand Delivery

Jean Jewell, Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
P.O. Box 83720
Boise, ID 83720-0074

CTB-T-14-01

Re: Custer Telephone Broadband Services LLC: Application for
Designation as an Eligible Telecommunications Carrier for Low-Cost
Support

Dear Ms. Jewell:

On behalf of Custer Telephone Broadband Services LLC, I am enclosing an original and seven copies of Custer Telephone Broadband Services LLC Application for Designation as an Eligible Telecommunications Carrier. Custer Telephone Broadband Services LLC requests this designation for purposes of receiving low-cost support. Custer Telephone Broadband Services LLC further requests that this Application be processed in an expedited manner under modified procedure. I have also enclosed a copy to be date stamped and returned to me for my files.

If you have any questions or comments regarding the enclosed, or if you need any additional information, please do not hesitate to contact me.

Sincerely,



Cynthia A. Melillo

CAM
Enclosures
cc: Dennis Thornock (*via electronic mail*)

CAM to IPUC re Custer Telephone Broadband Services LLC ETC Application

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Attorney for Custer Telephone Broadband Services LLC

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION.

APPLICATION OF CUSTER TELEPHONE)
BROADBAND SERVICES LLC FOR)
DESIGNATION AS AN ELIGIBLE)
TELECOMMUNICATIONS CARRIER FOR)
LOW-INCOME SUPPORT)

Case No. CTB-T-14-01

**APPLICATION OF CUSTER TELEPHONE BROADBAND SERVICES LLC FOR
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Custer Telephone Broadband Services LLC ("CTBS"), by and through its undersigned attorney, hereby submits to the Idaho Public Utilities Commission (the "Commission") this Application for Designation as an Eligible Telecommunications Carrier ("ETC"), pursuant to Sections 214(e)(1)-(2) of the Telecommunications Act of 1934, as amended (the "Act"), 47 U.S.C. § 214(e)(1)-(2), and § 54.201 of the Federal Communications Commission's ("FCC") rules, 47 C.F.R. § 54.201, and this Commission's ETC designation requirements ("IPUC ETC Requirements").¹ CTBS requests that it be designated as eligible to receive support from the federal Universal Service Fund ("USF"). CTBS is seeking only low income support in the Salmon, Idaho exchange (the "Designated Service Area").

¹ See *In the Matter of the Application of WWC Holding Co., Inc. dba CellularOne Seeking Designation as an Eligible Telecommunications Carrier That May Receive Federal Universal Service Support*, Order No. 29841, Appendix pp. 1-3 (IPUC Case No. WST-T-05-1, served August 4, 2005) (hereinafter, "IPUC ETC Requirements Order").

CTBS meets all statutory and regulatory prerequisites for ETC designation. Furthermore, designation of CTBS as an ETC in the Designated Service Area would serve the public interest. Accordingly, CTBS respectfully requests that the Commission grant this Application.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed as follows:

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I. BACKGROUND

A. Company Overview

CTBS is an Idaho limited liability company, with a principal place of business located at 1101 E. Main Avenue, Challis, Idaho 83226. The Commission issued a Certificate of Public Convenience and Necessity authorizing CTBS to provide local exchange and interexchange services within the State of Idaho in Case No. CTB-T-11-01, Order No. 32383, dated October 14, 2011. CTBS is a wholly-owned subsidiary of Custer Telephone Cooperative, Inc. ("Custer"). CTBS provides local exchange services in the Designated Service Area using its own facilities.

B. Identification of the Service Area

Sections 214(e)(2) and 214(e)(5) of the Act provide that ETC designations shall be made for a geographic service area designated by the state commission. CTBS is asking for ETC designation in the Salmon, Idaho exchange area, which is part of the service area of CenturyLink dba Century Tel of Idaho.

II. CTBS MEETS THE STATUTORY AND REGULATORY REQUIREMENTS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER.

On March 17, 2005, the FCC released its *FCC ETC Requirements Order*²

² *In the Matter of Federal-State Joint Board on Universal Service, Report and Order*, 20 FCC Rcd 6371 (2005) ("FCC

establishing additional requirements for carriers seeking ETC designation before the FCC. These additional requirements, however, are not binding on state commissions. This Commission subsequently considered whether to adopt all or some portion of the rules promulgated by the FCC and, as previously noted, issued a set of ETC designation requirements in IPUC ETC Requirements Order. As shown herein, CTBS meets the requirements for designation as an ETC as established under Sections 214(e) and 254 of the Act, and the IPUC ETC Requirements Order. Specifically, CTBS (i) is a common carrier,³ (ii) offers services that are supported by federal universal support mechanisms;⁴ (iii) will use its own facilities, in whole or in part, to provide the supported services;⁵ (iv) will provide the supported services throughout its Designated Service Area;⁶ (v) will advertise the availability of such services using media of general distribution;⁷ (vi) will make Lifeline service available to qualifying low-income consumers;⁸ (vii) will certify that it will comply with the service requirements applicable to the support that it receives;⁹ (viii) will remain functional in emergency situations;¹⁰ (ix) will satisfy consumer protection and service quality standards;¹¹ (x) will provide local usage plans comparable to the ILECs already operating in the proposed Designated Service Areas;¹² (xi) will provide notice to any affected tribal governments or tribal regulatory authorities;¹³ (xii) will comply with all applicable reporting requirements;¹⁴ and

ETC Requirements Order")

³ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d).

⁴ 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. §§ 54.201(d)(l) and 54.405.

⁵ 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(l).

⁶ 47 U.S.C. § 214(e)(l); 47 C.F.R. § 54.201(d).

⁷ 47 U.S.C. § 214(e)(l)(B); 47 C.F.R. § 54.201(d)(2).

⁸ 47 C.F.R. § 54.405; see also *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11, released February 6, 2012 ("Lifeline Reform Order").

⁹ 47 C.F.R. § 54.202 (a)(1)(i).

¹⁰ 47 C.F.R. § 54.202(a)(2); and IPUC ETC Requirements Order, App., at 3.

¹¹ 47 C.F.R. § 54.202(a)(3); and IPUC ETC Requirements Order, App., at 3.

¹² IPUC ETC Requirements Order, App., at 3.

¹³ *Id.* at 2.

¹⁴ See IPUC ETC Requirements Order, App., at 3-4.

(xiii) will take steps to limit fraud, waste and abuse of the federal USF.¹⁵ Because CTBS is requesting only low-income support, the requirement to submit a 2-year [5-year for the FCC] service improvement plan¹⁶ is not applicable.

A. CTBS is a Common Carrier

CTBS is a telecommunications carrier as defined in 47 U.S.C. § 153(44) and 47 C.F.R. § 51.5(a), and is a telecommunications carrier for the purposes of Part 54 of the FCC's rules.¹⁷ CTBS, therefore, is considered a common carrier under the Act.

B. CTBS offers the Supported Services

CTBS currently offers in its service area and in the Designated Service Area, the federally designated services listed at 47 C.F.R. § 54.101(a). The services which are supported by the federal USF program are as follows: (1) voice grade access to the public switched telephone network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equivalent; (4) single-party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. CTBS is a full service wireline carrier that offers all of these services, as described in detail below, throughout its service area, including the Designated Service Area, utilizing its own network infrastructure.

1. Voice Grade Access to the Public Switched Telephone Network.

CTBS meets this requirement through the provision of wireline voice communications service and interconnection to the public switched telephone network.

2. Local Usage.

CTBS's rate plans provide local usage consistent with Section 54.101(a)(2) of the

¹⁵ See *Lifeline Reform Order*.

¹⁶ 47 C.F.R. § 54.202 (a)(1)(ii) and IPUC ETC Requirements Order, App., at 2-3.

¹⁷ 47 U.S.C. § 54.1 *et seq.*

FCC's Rules. CTBS's rate plans as well as the relevant ILEC local usage rate plans are on file with the Commission.

3. Dual-Tone, Multi-Frequency Signaling or its Functional Equivalent.

Although no longer required by § 54.101(a) of the FCC's Rules, CTBS does provide dual tone multi-frequency ("DTMF") signaling to facilitate the transportation of signaling throughout its network.

4. Single-Party Service or its Functional Equivalent.

"Single-party service" means that only one party will be served by a subscriber loop or access line in contrast to a multi-party line. CTBS provides single-party service, as required by 47 C.F.R. § 54.101(a)(4).

5. Access to Emergency Services and Ability to Remain Functional in Emergency Situations.

The ability to reach a public emergency service provider by dialing 911 is a required service in any Universal Service offering. Access to emergency services includes access to 911 and E911 services to the extent the local government has implemented such services.¹⁸ CTBS meets this requirement by providing 911 and E911 service from local public service answering points ("PSAPs").

Consistent with the IPUC ETC Requirements Order at Appendix p.3, CTBS also has the ability to remain functional in emergency situations. Since CTBS is providing service to its customers through the use of its own redundant facilities, CTBS will provide to its customers functionality in emergency situations, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities and the capability of managing traffic spikes resulting from emergency situations.

¹⁸ 47 C.F.R. § 54.101(a).

6. Access to Operator Services.

Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call.¹⁹ CTBS provides customer access to operator services. Customers can reach operator services in the traditional manner by dialing "0", in compliance with § 54.101(a)(6) of the Federal Rules.

7. Access to Interexchange Service.

A universal service provider must offer consumers access to interexchange service to make and receive toll or interexchange calls. CTBS presently meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements CTBS has with several interexchange carriers ("IXCs").

8. Access to Directory Assistance.

The ability to place a call to directory assistance is a required service offering.²⁰ Subscribers to CTBS's services are able to dial "411" to reach directory assistance.

9. Toll Limitation for Qualifying Low Income Consumers.

An ETC must offer either "toll control" or "toll blocking" services to qualifying Lifeline customers at no charge. The FCC no longer requires an ETC to provide both services as part of the toll limitation service required under 47 C.F.R. § 54.101(a)(9).²¹ In particular, all ETCs must provide toll blocking which allows customers to block the completion of outgoing toll calls.²²

CTBS has the capability and if requested is able to provide toll blocking for Lifeline customers.

¹⁹ *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8817-18 (1997) ("First Report and Order")

²⁰ *Id.* at 8821.

²¹ See *Universal Service Fourth Order on Reconsideration in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72*, 13 FCC Red 5318 (1997).

²² First Report and Order, at 8821-22.

C. Advertising Availability of Universal Services.

Pursuant to § 54.201 of the FCC's rules, 47 C.F.R. § 54.201, CTBS currently advertises the availability of each of the supported services detailed above, throughout the Designated Service Area, by media of general distribution. In addition, once it receives its ETC designation, CTBS will promote its Lifeline Services through traditional media avenues. CTBS will develop an information sheet that explains the program and directs interested parties to the proper agencies to assist with the program qualification process. The methods of advertising utilized may include website, newspaper, magazine, radio, direct mailings, public exhibits and displays, bill inserts, and telephone directory advertising.

D. Commitment To Consumer Protection

Consistent with the IPUC ETC Requirements Order at Appendix A, p.3, CTBS complies with all applicable service quality standards and consumer protection rules.

E. Tribal Notification

The IPUC ETC Requirements Order at Appendix A p.2, requires an ETC applicant seeking ETC designation for any part of tribal lands to provide a copy of its application to the affected tribal government or tribal regulatory authority, as applicable, at the time it files its application with the Commission. CTBS is not seeking ETC designation for any tribal lands in connection with this Application.

CTBS has demonstrated that it meets the requirements to be designated an ETC. In addition to the above requirements, CTBS's designation as an ETC in connection with this Application would serve the public interest.²³

III. GRANT OF THIS APPLICATION SERVES THE PUBLIC INTEREST

CTBS requests ETC designation throughout all of the Salmon, Idaho exchange. Such exchange does not include areas served by rural telephone companies.

²³ See 47 C.F.R. 54.207(c) and IPUC ETC Requirements Order.

Congress requires that the Commission grant competitive ETC applications in non-rural areas.²⁴ No specific public interest test is mentioned, as is the case for areas served by rural telephone companies.²⁵ Thus, the Act provides that the Commission "shall" designate CTBS as an ETC upon finding that CTBS meets the requirements of Section 54.101(a) and Section 54.202(a) of the FCC's Rules (47 C.F.R. § 54.101(a) and 47 C.F.R. § 54.202(a)).

Grant of CTBS's Application will serve the public interest and the market as a whole by promoting additional service offerings in the Designated Service Area and will allow CTBS to participate in and offer Lifeline to qualifying consumers throughout the Designated Service Area. As relevant to the Commission's public interest inquiry, CTBS's presence will undeniably include the benefits of lower cost, higher quality and increased customer choice. Designation of CTBS as an ETC will also provide other carriers serving the same area an incentive to improve their existing networks and service offerings in order to remain customer focused, which will result in improved consumer services.

Designation of CTBS as an ETC would further the goals of promoting competition, reducing regulation and thereby bringing about lower prices and higher quality services – all as set forth as a central purpose of the Telecommunications Act of 1996.²⁶ Granting ETC status to CTBS would allow CTBS to obtain federal universal service support, which it will use to offer discounted telecommunications services to eligible low-income consumers in the Designated Service Area.

IV. CERTIFICATION OF ELIGIBILITY

CTBS will certify eligibility of all Lifeline applicants, both upon application and annually, as required by 47 C.F.R. § 54.410.

²⁴ See 47 U.S.C. 214(e)(2).

²⁵ See *Id.*

²⁶ The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, 56 (1996).

V. CTBS WILL MEET ALL ANNUAL CERTIFICATION REQUIREMENTS

CTBS will file all annual reports required by both this Commission and the FCC.

VI. LEGAL AUTHORITY

The Commission has the legal authority to grant the relief requested by CTBS pursuant to 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201; and the IPUC ETC Requirements Order.

VII. RELIEF REQUESTED

For the reasons set forth above, and pursuant to Section 214(e)(2) of the Act, CTBS requests that the Commission enter an Order designating CTBS as an ETC eligible for federal universal service low-income funding for the Designated Service Areas, and that the Commission process this Application under Modified Procedure.

RESPECTFULLY SUBMITTED this 6th day of January, 2014.

Cynthia A. Melillo PLLC

BY: Cynthia A. Melillo
Cynthia A. Melillo

Attorney for Custer Telephone Broadband Services
LLC