DECISION MEMORANDUM

TO:COMMISSIONER NELSONSTEPHANIE MILLER

COMMISSIONER SMITHGARY RICHARDSON

COMMISSIONER HANSENEILEEN BENNER

TONYA CLARKDON HOWELL

JOE CUSICKDAVE SCHUNKE

JIM LONGBIRDELLE BROWN

SYD LANSINGMYRNA WALTERS

WORKING FILEWELDON STUTZMAN

FROM:BEVERLY BARKER

RE:USW-S-95-5 & FMT-T-95-1; SALE OF U S WEST’S NUACRES

EXCHANGE TO FARMERS MUTUAL TELEPHONE COMPANY

DATE:AUGUST 21, 1995

In his decision memorandum dated August 15, 1995, Joe Cusick described the application requesting approval of the sale of U S WEST’s NuAcres exchange to Farmer Mutual.  On page two of the memo, he states that “there do not appear to be any contentious issues, other than the gain, which would require hearing.”  However, if the sale is approved as proposed, NuAcres customers will be required to buy into the cooperative at the cost of $25.00 per access line.  As Carol Cooper points out in her testimony concerning the sale of U S WEST’s Oakley exchange to Project Mutual in Case Nos. USW-S-94-4/PRJ-T-94-1, U S WEST’s customers will certainly object to paying for the privilege of being bought by another company.  Customers with more than two lines will pay even more than the fixed buy-in amount being requested by Project Mutual.  (Project Mutual proposes to charge $60.00 per subscriber, regardless of the number of access lines.)

Another issue likely to be raised concerns EAS.  On April 21, 1993, the Commission received a petition signed by 497 people asking for EAS among the communities of Parma, Caldwell, NuAcres, and Nyssa, Oregon.  This petition was assigned Case No. GNR-T-93-11, which is still pending.  Decisions made in Case No. GNR-T-93-13, the “generic” EAS case, will determine the fate of GNR-T-93-11.  Although a Commission ruling on individual EAS routes is still far off, the fact remains that NuAcre petitioners are less likely to receive EAS if they are not U S WEST customers, if for no other reason than U S WEST’s larger customer base over which to spread lost toll revenue recovery makes EAS more economically feasible.

I am not objecting to treatment of this application under modified procedure as long as tow conditions are met: (1) the applicants are willing to negotiate with the Commission Staff on the requirements for share purchases by NuAcres customers, and (2) the affected customers are individually notified of the proposed sale and given ample opportunity to comment.

Although EAS may become an issue in this case, I don’t believe that the staff is in a position to negotiate on EAS since a case discussing that issue is pending before the Commission.

COMMISSION DECISION

Should the two conditions specified above be required as a condition for considering this application under modified procedure?  Something else?

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