DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

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WORKING FILE

FROM:DON HOWELL

DATE:OCTOBER 23, 1997

RE:GTE NORTHWEST’S PETITION TO BE DESIGNATED AS AN “ELIGIBLE TELECOMMUNICATIONS CARRIER, CASE NO. GTE-T-97-12

On October 17, 1997, GTE Northwest filed a Petition (attached) requesting that the Commission designate it as an “eligible telecommunications carrier no later than January 1, 1998.”  Before a telecommunications corporation may receive federal universal service support, it must be designated as an eligible telecommunications carrier by the state public utility commission.  Federal universal support includes high cost support, reimbursement for discounts provided to low-income customers (Lifeline and Link Up programs), and support for health care providers.  GTE serves approximately 100,000 customers in northern Idaho.

Section 214(e)(2) of the Telecommunications Act provides that a “State Commission shall upon its own motion or upon request designate a common carrier that meets the requirements [established by the FCC] as an eligible telecommunications carrier for a service area designated by the State Commission.”  47 U.S.C. § 214(e)(2).  GTE certifies that it meets the requirements for designation as an eligible telecommunications carrier for its Idaho service area.

To be designated as an eligible telecommunications carrier, a LEC must offer the following services as specified in the FCC’s Universal Service Order, CC Docket No. 96-45 (FCC 97-157), released May 8, 1997:

single-party service

voice grade access to the public switched network

touch-tone service

access to emergency services, including 911 and E911

access to operator services

access to interexchange service

access to directory assistance

toll limitation services for qualifying low-income consumers

Id. at ¶¶ 61-82.  GTE asserts that it offers the above-listed services using its own facilities and generally advertises the availability of these services pursuant to 47 U.S.C. § 214(e)(1)(A) and (1)(B).  GTE further asserts that it offers Lifeline services consistent with Idaho statutes and has made Link Up services(footnote: 1) available for qualifying low-income consumers.

WAIVER REQUEST

GTE also asks that the Commission grant it a waiver if the FCC requires that both toll blocking and toll control as a part of  toll limitation services.(footnote: 2)  GTE asserts that it is not clear whether the FCC’s USF Order requires that both be offered or only one or the other.  GTE maintains that it can provide toll blocking, “but does not presently have the capability of providing ‘toll control’ as described by the FCC.”   GTE Petition at 4.  “In case the FCC intends that both toll limitation services be offered, GTE requests the Commission to grant it waiver of the ‘toll control’ requirement, as authorized by the FCC Order.”  Id.

GTE states that it is in the process of investigating whether modifications to its advanced credit management system could meet the FCC’s toll control requirements.  The Company notes that even if it can modify its systems to provide a toll control service, “such a toll limitation process can be effective only to the degree that interexchange carriers supply rated toll billing records to GTE on a timely basis for inclusion in the customers’ incurred balances and comparison to account credit limits, a practice that is not common in the industry at this time.”  Id. at 4.  Consequently, GTE requests a waiver of the toll control requirement for a period of 12 months, until January 1, 1999.

GTE intends to provide its Lifeline customers toll-blocking at no charge.  At such time as toll control services become available, then Lifeline customers will be afforded the option of converting from “the toll-blocking … to a toll control service at no charge when the service becomes available.”  Id.

Staff Analysis

Other than the toll control issue, the Staff believes that GTE meets the requirements of an eligible telecommunications carrier.  Staff recommends that this issue be processed under Modified Procedure giving interested persons 21 days to comment. Staff intends to comment on the toll control issue in the comment cycle.

Commission Decision

Does the Commission agree that this matter can be processed under Modified Procedure?

Don Howell

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**FOOTNOTES**

1:

Link Up assists low-income subscribers to acquire new telephone service by paying half of the first $60.00 charge for the installation of service.  To be eligible for this program, an eligible subscriber must meet the state-established means test.  Link Up currently is funded through an adjustment that allocates the incumbent LEC’s Link-Up cost to the interstate jurisdiction, effectively passing them onto interexchange carriers.  USF Order at ¶ 344.

2:

“Toll blocking” is currently available in most Idaho exchanges and simply prohibits the customer from making long-distance calls. “Toll control” permits a customer to limit the toll charges he or she can incur during a billing period to a preset amount.  This latter service would require a substantial integration between the CO switch and the billing records of the customer.