

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 25, 2005**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____

DATE: October 7, 2005

TO: Public Utility Commission

FROM: Damara Paris, RSPF Manager

THROUGH: Rick Willis, PUC Executive Director
Victoria McLean, CSD Administrator

SUBJECT: EDGE WIRELESS, LLC: (Docket No. UM 1223) Designation as an Eligible Telecommunications Provider, Providing Services to Customers Under the Federal Lifeline/Link Up Program and the State of Oregon Telephone Assistance Program (OTAP).

STAFF RECOMMENDATION:

Staff recommends that the Commission grant Edge Wireless, LLC's request to be designated an Eligible Telecommunications Provider (ETP) pursuant to Oregon Administrative Rule (OAR) 860-033-0005. Granting the petition will authorize Edge Wireless, LLC to participate in the federal Lifeline/Link Up program, as well as the Oregon Telecommunications Assistance Program (OTAP).

DISCUSSION:

A. The Application of Edge Wireless, LLC.

Commission Order No. 05-965 designated Edge Wireless, LLC, a federal eligible telecommunications carrier (ETC) in September 2005. The company now seeks designation as an ETP in order to participate in the federal Lifeline/Link Up telephone subsidy program and the State of Oregon Telephone Assistance Program (OTAP). The corporation submitted their application to provide OTAP services on September 26, 2005. Edge Wireless, LCC, or Edge, is a radio common carrier and currently has 38,391 residential lines, 7,318 business lines and 95 tribal lines served by wireless instruments.

B. The Federal Lifeline/Link UP Program

The federal Lifeline/Link Up program is a universal service fund (USF) supported mechanism designed to increase the availability of telecommunications services to low-income customers.

The Lifeline portion of the Lifeline/Link Up program reimburses telephone companies for providing low-income consumers with a discount on the cost of residential basic local exchange service. Lifeline support enables low-income consumers to save up to \$13.50. Of this amount, the OTAP program contributes \$3.50 per month. Consumers living on tribal lands may qualify for alternate Lifeline discounts based on their area of tribal residence.

The Link Up portion of the Lifeline/Link Up program reimburses telephone companies for providing low-income consumers with a discount on the cost of connecting their residential basic local exchange service. Link Up support enables low-income consumers to save up to 50% on connection fees, or \$30, whichever is less. Participants may also establish a deferred payment schedule for remaining connection charges of up to \$200. Consumers living on tribal lands may qualify for tribal Link Up discounts.

Telecommunications service providers provide funding for federal Lifeline/Link Up. Carriers are required to contribute a percentage of their interstate revenues towards federal USF support mechanisms, including high cost support and rural healthcare programs. Most telecommunications service providers pass this cost on to their customers via a surcharge on end user bills.

C. Oregon Telephone Assistance Program

In 1987, the Commission established OTAP in response to the law enacted by the Oregon Legislature stating that all Oregonians have a right to access to basic telecommunication services under the Residential Service Protection Fund (RSPF). OTAP is one of four telecommunication assistance programs outlined in Chapter 290, Oregon Laws 1987.

OTAP is administered by Commission staff and serves as an additional source of support to the Lifeline portion of the federal Lifeline/Link Up program. The state contributes \$3.50 per eligible consumer for basic local exchange telephone service, while the federal government contributes up to \$10 per consumer.

At present, 34 ILEC companies, 2 CLEC and 2 wireless companies currently participate in the OTAP and federal Lifeline/Link Up program. Approximately 62,000 low-income customers in Oregon currently receive OTAP and Lifeline support.

D. Consumer Eligibility for Lifeline, Link Up and OTAP

In states that maintain their own low-income support programs, the FCC requires consumers to meet state eligibility requirements in order to receive federal Lifeline/Link Up support. In states that do not have their own income support programs, consumers are required to meet default federal eligibility requirements. In Oregon, consumers are eligible to receive OTAP and Lifeline/Link Up assistance if they are currently receiving federal food stamps or assistance from another low-income program for which eligibility requirements do not exceed 135% of the federal poverty level. In addition to food stamps, consumers receiving assistance such as Temporary Assistance to Needy Families, Supplemental Security Income or coverage under an approved medical program may qualify.

E. The Federal ETC Designation Process

Before a telecommunications service provider can receive federal USF support (whether high cost support or Lifeline/Link Up), it must be designated as a federal ETC by a state public utility commission. In September 2005, Edge was granted an ETC designation by the Commission through Order No. 05-965, UM 1177.

F. State ETP Designation Process

In order to be designated as a state ETP to participate in OTAP, a telecommunications service provider must comply with the federal requirements contained in C.F.R. § 54.101. The applicant must also demonstrate that it will comply with OAR 860-033-0005 through OAR 860-033-0100, which includes the rules applicable to OTAP.

G. Analysis of Edge Wireless, LLC.'s Application

Edge Wireless LLC filed its OTAP application on September 26, 2005, which included a cover letter and a completed OTAP ETP Provider Application Form. These documents are attached to this memo.

Staff found that the application was complete and responsive. As part of the application, Edge agreed to abide by the PUC Oregon Administrative Rules pertaining to OTAP. These rules specifically apply to procedures for approving, denying and terminating OTAP recipients, timelines for submitting reports, requirements regarding

UM 1223, Edge Wireless LLC
October 7, 2005
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client confidentiality and expectations pertaining to Link Up. In summary, Edge has satisfied the requirements to provide OTAP to their qualifying consumers.

PROPOSED COMMISSION MOTION:

Approve Edge, Inc.'s application for designation as an ETP, so it can provide services to customers under the federal Lifeline/Link Up program and the State of Oregon OTAP program.

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RECEIVED LAWYERS

SEP 26 2005



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Davis Wright Tremaine LLP

Public Utility Commission of Oregon
Administrative Hearings Division

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September 23, 2005

**VIA E-FILING AND
UPS NEXT DAY MAIL**

Ms. Francis Nichols, Administrative Specialist
Administrative Hearings Division
PUBLIC UTILITY COMMISSION OF OREGON
550 Capitol Street N.E., Suite 215
Salem, Oregon 97301-2551

Re: In the Matter of EDGE WIRELESS, LLC Application for Designation as an Eligible
Telecommunications Carrier (ETP) to Provide OTAP Services

Dear Ms. Nichols:

Enclosed for filing is the "*Application of Edge Wireless, LLC for Eligible Telecommunications
Provider (ETP) to Provide OTAP Services*". The original and five (5) copies of this document are being
delivered via UPS next day mail.

The Commission designated Edge Wireless, LLC an Eligible Telecommunications Carrier on August 29,
2005 in Order # 05-965.

Please feel free to contact me if you have any questions.

Very truly yours,

Davis Wright Tremaine LLP

Mark P. Trinchero
by D. Reed

Mark P. Trinchero

MPT:djr
Enclosures

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SEP 26 2005

Oregon Telephone Assistance Program (OTAP) Public Utility Commission of Oregon
Application for Eligible Telecommunications Provider (ETP) to Provide OTAP Services OTAP Services Division

Part I. Application Information and Service Plan

1. Legal name of applicant: Edge Wireless, LLC ("Edge")

2. Name or names that applicant is doing business as: _____

3. Contact information pertaining to your designated staff who would be handling OTAP communication:

Name: Kevin Keillor

Address: 650 SW Columbia, Suite 7200

City: Bend State: OR Zip: 97702

Phone Number: 541-312-5430 Fax: _____

E-Mail: kkeillor@edgewireless.com

4. Are you authorized to provide telecommunications services in the State of Oregon?

Yes Oregon PUC Telecommunications Service Provider ID No. _____

Note: Edge is a radio common carrier exempt from PUC jurisdiction.
See ORS 759.005(2)(e)

No **STOP.** You must apply for and obtain Oregon PUC approval to offer telecommunications services in the State of Oregon before you can participate in the OTAP Program.

5. Are you currently designated as a federal Eligible Telecommunications Carrier (ETC) by the Oregon Public Utility Commission in the service areas where you intend to participate in OTAP?

Yes Docket No. UM 1177 Order No. 05-965

No **STOP.** OTAP is an adjunct to the federal universal service fund Lifeline and Linkup programs. You must apply for and obtain designation as a federal Eligible Telecommunications Carrier (ETC) in those service areas where you intend to participate in OTAP.

6. List the specific Oregon exchanges where you seek to participate in OTAP. If your current federal ETC service area is not coextensive with specific Oregon exchanges, please list the Incumbent Local Exchange Carrier (ILEC) wire centers where you are authorized as a federal ETC and intend to participate in OTAP. If additional space is required, please use a separate sheet of paper.

Attached.

Exchange or Wire Center

Incumbent ILEC

7. OAR 860-033-0005 states that an ETP must offer services under 47 CFR §54.101 using either its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications provider throughout the service area). Pursuant to 47 C.F.R. §54.201(f), the requirement of using their "own facilities" includes, but is not limited to, purchasing unbundled network elements from another carrier. On a separate sheet of paper, please provide the following for the service area in which the applicant seeks to participate in OTAP.

- a. A general description of the telecommunications facilities owned and operated by the applicant (for example, switches, outside plant assets, fiber optic transmission equipment, ILEC collocations, etc.); Edge is a full service wireless carrier that offers Commercial Mobile Radio Service throughout its licensed service area utilizing its own service - including its own antennas, towers, and mobile switching offices.
- b. A list of the ILECs from whom the applicant purchases unbundled network elements; None
- c. A list of the ILECs or other ETCs the applicant uses to provide resale service; None
- d. A list of interconnection agreements the applicant maintains with Oregon ILECs and the effective date of such agreements; Citizens (3/2001); CenturyTel (2/2001); Qwest (6/2000); Verizon (6/2000)
- e. A list of interexchange carriers the applicant will use to provide interstate and intrastate toll services for its OTAP customers. AT&T (Intrastate/InterLATA & Interstate toll); Qwest (Intrastate/IntraLATA transport); Verizon (Intrastate/IntraLATA transport)

8. The number of residential, business and tribal basic service customers served by the applicant as of December 31, of the most recent calendar year. Specify whether these customers are served by wireline service or wireless instruments.

38,391 residential lines
7,318 business lines
95 tribal lines
All customers are served by wireless instruments.

Part II. Conditions to Provide OTAP Services to Qualifying Oregonians

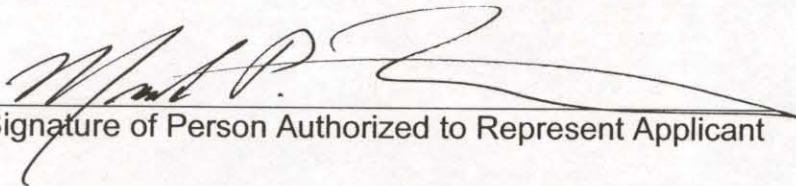
These conditions apply in addition to the general conditions of certification. Violating these conditions, or misrepresenting information provided to PUC in the course of administering the OTAP programs may result in cancellation of your Telecommunications Provider's Certificate, your authority to provide OTAP Services and/or an order requiring you to refund with interest and penalties of any OTAP support distributed under false information.

1. The applicant agrees to offer reduced residential rates to eligible low-income customers pursuant to the Oregon Telephone Assistance program (OTAP). See OAR 860-033-0001 through 0046.
2. The applicant understands that only PUC may approve OTAP benefits for the consumer and provide benefits to OTAP consumers after PUC has notified the applicant of their eligibility. A telecommunication provider who grants OTAP benefits to ineligible customers will have the total amount of the OTAP benefits that were given to those customers deducted from the monthly or quarterly OTAP reimbursement invoices that the telecommunications provider submits to the Commission (OAR 860-033-0045 (1) (d)).
3. The applicant agrees that they will ensure the consumer will see their OTAP credit within 30 days from the date that the applicant has been notified of the consumer's eligibility status, and to remove consumers within 30 days after they no longer qualify for OTAP benefits.
4. The applicant agrees that if an OTAP consumer did not receive his or her benefits from the applicant after being approved by the Commission, that the applicant will reimburse the consumer up to a maximum of one year of OTAP benefits credited to their telephone line (OAR 860-033-0030 (7)).
5. The applicant agrees that they will submit reports for reimbursement quarterly (if they have less than 1,000 OTAP consumers) or monthly (if they have more than 1,000 OTAP consumers). Reports are expected to be submitted even if there are zero consumers (OAR 860-033-0045 (1)).
6. The applicant agrees that upon request, a qualifying OTAP recipient shall be entitled to toll limitation service from an eligible telecommunications carrier, when available, at no additional charge. Further, the applicant agrees not to deny or disconnect basic service to an OTAP customer for failure to pay toll charges, or require a deposit from OTAP consumers who voluntarily elect to receive toll-blocking services. (OAR 360-021-0200 (5), and 360-021-0335 (4) (b)).
7. An OTAP recipient is required to be the named subscriber to the local telecommunication service in order for that household to qualify for OTAP benefits. PUC may waive this requirement if it determines that good cause exists. Applicant agrees to comply with reimbursing OTAP consumers who are not named subscribers at the Commission's request.

8. The applicant agrees to ensure that confidential information (including phone number, addresses, contact information and social security numbers) of OTAP recipients is protected (OAR 360-033-0030 (5)). The applicant agrees to maintain a written policy to ensure that the applicant's staff does not breach the confidentiality of OTAP consumers, and to do background checks on employees who have access to customer records.
9. The applicant agrees to have in place database encryption and firewall technologies to protect customer service information stored electronically.

MPT

APPLICANT UNDERSTANDS ALL OF THE ABOVE CONDITIONS AND AGREES TO ABIDE BY ALL APPLICABLE COMMISSION RULES, STATE LAW AND THE CONDITIONS OF CERTIFICATION. PLEASE INITIAL BOX AT LEFT.



Signature of Person Authorized to Represent Applicant

Attorney Title

Mark P. Trinchero
Printed Name

September 23, 2005
Date

Exhibit B
EDGE WIRELESS PROPOSED ETC AREA (NON-RURAL)

Verizon Northwest, Inc. Wire Centers
in Coos, Curry, Douglas and Josephine Counties:

RDPTORXX (Reedsport)
LKSDORXX (Lakeside)
NBNDORXX (North Bend)
CSBYORXX (Coos Bay)
CQLLORXX (Coquille)
BNDNORXX (Bandon)
MYPNORXX (Myrtle Point)
LNGLORXX (Langlois)
PTORORXX (Port Orford)
PWRSORXX (Powers)
GLBHORXX (Gold Beach)
BKNGORXX (Brookings)
MRPHORXX (Murphy)
PRVTORXX (Provolt) *
EMPRORXX (Empire)

Qwest Corporation Wire Centers
in Coos, Curry, Douglas and Josephine Counties:

STHROR58 (Sutherlin)
RSBGOR57 (Roseburg)
WNTNOR57 (Winston)
GRPSOR29 (Grants Pass) *

*Although Edge's BTA boundaries do not completely encompass the entire wire center, Edge will offer service throughout the entire wire center area.

Exhibit B
List of Rural ILEC Wire Centers in Edge's Proposed ETC Area

Citizens Wire Centers
in Coos, Curry, Douglas and Josephine Counties:

AZALORXA (Azalea) *
CNVLORXA (Canyonville)
CVJTORXA (Cave Junction)
DYCKORXX (Days Creek)
GLDORXA (Glendale)
MYCKORXA (Myrtle Creek)
OBRNORXX (O'Brien)
RDDLORXA (Riddle)
SELMORXA (Selma)
WLCKORXA (Wolf Creek)

Cascade Wire Centers
in Coos, Curry, Douglas and Josephine Counties:

EKTNORXB (Elkton)
SCBGORXA (Scottsburg)

CenturyTel Wire Centers
in Coos, Curry, Douglas and Josephine Counties:

CMVLORXA (Camas Valley)
DRANORXA (Drain) *
GLIDORXA (Glide)
NRUPORXA (North Umpqua)
YNCLORXA (Yoncalla) *

United Wire Centers
in Coos, Curry, Douglas and Josephine Counties:

DMLKORXX (Diamond Lake)

*Although Edge's BTA boundaries do not completely encompass the entire wire center, Edge will offer service throughout the entire wire center area.