

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 21, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (Curry, Bates, Long)

Office of the General Counsel (Cuello, Murphy)

RE: Docket No. 20170127-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast.

Docket No. 20170128-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Embarq Florida, Inc. d/b/a CenturyLink.

Docket No. 20170129-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Frontier Florida LLC.

Docket No. 20170130-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Frontier Communications of the South, LLC.

Docket No. 20170131-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for GTC, Inc. d/b/a FairPoint Communications.

Docket No. 20170132-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for ITS Telecommunications Systems, Inc.

Docket No. 20170133-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Knology of Florida, Inc. d/b/a WOW! Internet, Cable and Phone.

Docket No. 20170134-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Northeast Florida Telephone Company d/b/a NEFCOM.


Docket No. 20170135-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Quincy Telephone Company d/b/a TDS Telecom.

Docket No. 20170136-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Smart City Telecommunications LLC d/b/a Smart City Telecom.

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Docket No. 20170137-TP – 2018 State certification under 47 C.F.R. §54.313 and §54.314 for Windstream Florida, LLC.

AGENDA: 08/03/17 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Graham

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Section 254(e) of the Telecommunications Act of 1996, provides in part, that a carrier that receives universal service support “shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.” States seeking federal high-cost support for carriers within their jurisdiction are required to file a certification annually with the Federal Communications Commission (FCC) and with the Universal Service Administrative Company (USAC). The federal universal service high-cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. The program fulfills this universal service goal by allowing eligible carriers who serve these areas to recover some of their costs from the federal Universal Service Fund.

The carrier annual reporting data collection form, known as Form 481, is an FCC form that all eligible telecommunications carriers (ETCs) in the high-cost and Lifeline programs file annually with the FCC and state commissions. For carriers in the high-cost Program, the form collects:

- Detailed information on any outages.
- The number of unfulfilled requests for service.
- The number of complaints per 1,000 connections.
- Certification of service quality compliance.
- Certification of emergency operation capability.
- The company's price offerings.

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- Branding information of the holding company and its affiliates.
- Documentation demonstrating whether the carrier is engaged with Tribal governments.
- Certification that all frozen (at December 2011 levels) high-cost support the company received in 2016 was used to build and operate broadband-capable networks used to offer the provider's own retail broadband service in areas substantially unserved by an unsubsidized competitor.
- Certification that high-cost support designated for the use of offsetting reductions in access charges was used in the prior calendar year to build and operate broadband-capable networks used to offer provider's own retail service in areas substantially unserved by an unsubsidized competitor.¹

Incumbent carriers receiving high-cost support with rates below the FCC's benchmark must report rates and lines on the Rate Floor Data Collection Report and Certification. For carriers in the Lifeline Program, the form collects branding information of the holding company and its affiliates and terms and conditions on service plans offered to subscribers.

Each Florida ETC filed its Form 481 concurrently with the Florida Public Service Commission (Commission) and the FCC. Staff reviewed each company's Form 481 filing to verify that all of the required information for high-cost certification was provided. Staff's recommendation for certification affirms that the federal high-cost funds flowing to carriers in the state, or to any competitive eligible telecommunications carriers seeking support for serving customers within a carrier's service area, will be used in a manner that comports with Section 254(e) of the 1996 Telecommunications Act. Certification is defined by 47 C.F.R. §54.314(a) as follows:

Certification of support for eligible telecommunications carriers

(a) Certification. States that desire eligible telecommunications carriers to receive support pursuant to the high-cost program must file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. High-cost support shall only be provided to the extent that the State has filed the requisite certification pursuant to this section.

In order for a carrier to be eligible for high-cost universal service support for all of calendar year 2018, certification must be submitted by the Commission by October 1, 2017.² The certification may be filed with the FCC and USAC in the form of a letter from the Commission.³ Based on

¹ 47 C.F.R. §54.313(a) through (d)

² 47 C.F.R. §54.314(d)

³ 47 C.F.R. §54.314(c)

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prior support received by carriers in Florida, staff estimates that the amount of funding carriers will receive for 2018 will likely be approximately \$57 million in high-cost support.⁴

USAC has developed a letter template for use with annual high-cost certifications of state ETCs. Attachment A is a draft letter, to be signed by the Chairman, using the USAC template to certify high-cost for Florida ETCs. In addition, USAC has also developed an online certification process whereby a state commission representative can sign-in to select and submit the ETCs from their states that have been certified for the upcoming year. Staff suggests filing both the letter and using USAC's online process this year.

⁴ This estimate was obtained using the USAC high-cost funding disbursement search tool and does not include wireless carriers.

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Discussion of Issues

Issue 1: Should the Commission certify to the FCC and to USAC, by letter from the Chairman and through USAC's online portal, that BellSouth Telecommunications, LLC d/b/a AT&T Florida; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a FairPoint Communications; ITS Telecommunications Systems, Inc.; Knology of Florida, Inc. d/b/a WOW! Internet, Cable, and Phone; Northeast Florida Telephone Company d/b/a NEFCOM; Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone; Smart City Telecommunications, LLC d/b/a Smart City; and Windstream Florida, Inc. are eligible to receive federal high-cost support, that they have used the federal high-cost support in the preceding calendar year, and they will use the federal high-cost support they receive in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended?

Recommendation: Yes. The Commission should certify to the FCC and to USAC, by letter from the Chairman and through USAC's online portal, that BellSouth Telecommunications, LLC d/b/a AT&T Florida; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a FairPoint Communications; ITS Telecommunications Systems, Inc.; Knology of Florida, Inc. d/b/a WOW! Internet, Cable, and Phone; Northeast Florida Telephone Company d/b/a NEFCOM; Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone; Smart City Telecommunications, LLC d/b/a Smart City; and Windstream Florida, Inc. are eligible to receive federal high-cost support, that they have used the federal high-cost support in the preceding calendar year, and they will use the federal high-cost support they receive in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. (Curry, Bates, Long)

Staff Analysis: Staff reviewed each of the carriers' annual Form 481 data collection forms to ensure all necessary information required for high-cost certification was provided by the ETCs. Within Form 481, each of the Florida ETCs receiving high-cost support has certified that all federal high-cost support provided to them within Florida was used in the preceding calendar year (2016) and will be used in the coming calendar year (2018) only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Previously, Form 481 required interstate rate-of-return carriers receiving support for voice telephony service and offering broadband (as a condition of such support) to file a five-year build-out plan forecasting improvements or upgrades to the carriers' network for calendar years 2015 through 2019 and to annually report the progress towards those goals.⁵ However, in 2016

⁵The FCC waived the requirement to file a five-year build-out plan for interstate price cap carriers per FCC 14-591, WC Docket No. 10-90, Connect America Fund, Order, released May 1, 2014, https://apps.fcc.gov/edocs_public/attachmatch/DA-14-591A1.pdf, accessed on June 29, 2017, ¶ 1. In Florida the following companies are interstate price cap carriers: BellSouth Telecommunications, LLC d/b/a AT&T Florida; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Communications of the South, LLC; Frontier Florida LLC⁵; GTC, Inc. d/b/a FairPoint Communications; Knology of Florida, Inc. d/b/a WOW! Internet, Cable, and Phone; and Windstream Florida, Inc.

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the FCC eliminated the annual reporting requirement.⁶ Therefore, carriers are no longer required to submit progress reports on their five-year plans.

Having reviewed the ETCs' filings, staff recommends that the Commission certify to the FCC and USAC, by letter from the Chairman and through USAC's online portal, that BellSouth Telecommunications, LLC d/b/a AT&T Florida; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a FairPoint Communications; ITS Telecommunications Systems, Inc.; Knology of Florida, Inc. d/b/a WOW! Internet, Cable, and Phone; Northeast Florida Telephone Company d/b/a NEFCOM; Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone; Smart City Telecommunications, LLC d/b/a Smart City; and Windstream Florida, Inc. are eligible to receive federal high-cost support, that they have used the federal high-cost support in the preceding calendar year, and they will use the federal high-cost support they receive in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

⁶ FCC 16-33, WC Docket No 10-90, Connect America Fund, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, released on March 30, 2016, https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-33A1.pdf, accessed July 7, 2017, ¶ 9.

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Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Final Order.
(Cuello, Murphy)

Staff Analysis: This docket should be closed upon issuance of a Final Order.

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20170132-TL, 20170133-TX, 20170134-TL, 20170135-TL, 20170136-TL, 20170137-TL
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STATE OF FLORIDA

JULIE I. BROWN
CHAIRMAN



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Public Service Commission

July 21, 2017

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW Washington, DC 20554

USAC
Vice President, High Cost Division
700 12th Street, NW, Suite 900
Washington, DC 20005

Re: CC Docket No. 96-45/WC Docket No. 14-58, Annual State Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. § 54.314

Dear Ms. Dortch:

Pursuant to the requirements of 47 C.F.R. § 54.314, the Florida Public Service Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that the telecommunications carriers included in this letter are eligible to receive federal high-cost support for the program years cited.

For the carriers listed below, the Florida Public Service Commission certifies that all federal high-cost support provided to such carriers within Florida was used in the preceding calendar year (2016) and will be used in the coming calendar year (2018) only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.⁷

⁷ 47 C.F.R. §54.314(a) ("Certification. States that desire eligible telecommunications carriers to receive support pursuant to the high-cost program must file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. High-cost support shall only be provided to the extent that the State has filed the requisite certification pursuant to this section.")

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Company Name	Study Area Code
BellSouth Telecommunications, LLC d/b/a AT&T Florida	215191
Embarq Florida, Inc. d/b/a CenturyLink	210341
Frontier Communications of the South, LLC	210318
Frontier Florida LLC	210328
GTC, Inc. d/b/a FairPoint Communications	210291, 210329, 210339
ITS Telecommunications Systems, Inc.	210331
Knology of Florida, Inc. d/b/a WOW! Internet, Cable, and Phone	219904
Northeast Florida Telephone Company d/b/a NEFCOM	210335
Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone	210338
Smart City Telecommunications, LLC d/b/a Smart City Telecom	210330
Windstream Florida, Inc.	210336

If you have any questions regarding this certification, please contact Kiwanis L. Curry at (850) 413-6662, or Mark Long at (850) 413-6101.

Sincerely,

Julie I. Brown
Chairman