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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Kate Giard, Chairman
Dave Harbour
Mark K. Johnson
Anthony A. Price
James S. Strandberg

In the Matter of the Commission Compliance)
with Federal Requirement to Certify Proper Use)
of 2005 Federal Universal Service Funds by)
Telecommunications Carriers)

U-04-70
ORDER NO. 1

ORDER OPENING DOCKET,
REQUESTING DATA, AND INVITING COMMENT

BY THE COMMISSION:

Summary

We open this Docket to consider the annual federal universal service fund certification with the FCC. We require rural regulated eligible telecommunications carriers (ETCs) and rural wireless ETCs to file information in accordance with the Data Response and Affidavit form. We invite interested entities to respond to our tentative conclusion that the Commission should not file a certificate covering non-rural carriers with the Federal Communications Commission (FCC). All responses to this Order should be filed by September 8, 2004.

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Background

We must certify¹ annually by October 1 whether federal universal service funds² received by regulated rural Alaskan ETCs will be used only for the provision, maintenance, and upgrade of facilities and services for which the support is intended.³ We annually issue a data request to obtain information to assist us in submitting the October certification with the FCC. This Order provides that data request.

FCC regulations also require an annual certification filing for non-rural companies as a condition for continued receipt of forward-looking support and interim hold-harmless support.⁴ We have not historically filed a non-rural certification for Alaskan carriers as they do not receive forward-looking support or interim hold-harmless support.

Discussion

During our October 2002 annual certification processes, we reviewed detailed data from the regulated rural ETCs that operate in Alaska concerning use of universal service funds. Since that time, we have either concluded or have pending review of the local rates of many of these ETCs. *For this year only*, there is little benefit in an additional detailed review of rural ETC financial data through this Docket. Therefore, we simplify our review process for our October rural certification. We require rural regulated ETCs operating in Alaska to file, by September 8, 2004, a completed Data Response and Affidavit Form, based on self-certification

¹47 C.F.R. § 54.314.

²Referenced funds are those provided under 47 C.F.R. §§ 54.301, 54.305, 54.307 and/or 47 C.F.R. § 36 subpart F.

³If we do not issue such a certificate, receipt of certain universal service funds could be compromised.

⁴47 C.F.R. § 54.313.

1 (see attached). Rural wireless ETCs,⁵ to the extent possible, must also provide
2 information in accordance with the Data Response and Affidavit Form.

3 An annual certification process also applies to non-rural companies as a
4 condition of continued receipt of forward-looking support and interim hold-harmless
5 support. Historically we have not submitted such a certificate as we concluded it was
6 unnecessary. However, the FCC recently changed its non-rural certification process
7 to include an annual state review of the comparability of residential rates in rural areas
8 of the state served by non-rural incumbent local exchange carriers to urban rates
9 nationwide.⁶ The FCC identifies a “safe harbor” where rates are assumed to be
10 reasonably comparable.⁷ Rates for the non-rural incumbent⁸ in Alaska would appear
11 to fall within this safe harbor.

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14 ⁵A rural wireless ETC is a wireless carrier that has obtained ETC status for a
15 rural area of Alaska. When granting ETC status, we required wireless ETCs to file
16 data according to the same use-of-funds data form as applies to regulated Alaskan
17 companies.

18 ⁶47 C.F.R. § 54.316. See CC Docket No. 96-45 *Order on Remand, Further*
19 *Notice of Proposed Rulemaking, and Memorandum Opinion and Order* (Remand
20 Order), FCC 03-249, released October 27, 2003.

21 ⁷47 C.F.R. § 54.316(b). A state may presume that the residential rates in rural
22 areas served by non-rural incumbent local exchange carriers are reasonably
23 comparable to urban rates nationwide if the rates are below the nationwide urban rate
24 benchmark. The nationwide urban rate benchmark shall equal the most recent
25 average urban rate (\$24.75) plus two weighted standard deviations (estimated at
26 \$4.45 x 2) and is approximately \$33.65. The weighted standard deviation was
obtained from Appendix B of the Remand Order and is based on 2002 data. The 2003
average urban rate was obtained from the FCC *Reference Book of Rates, Price*
Indices, and Household Expenditures for Telephone Service, table I-2, released
July 2004. Rates for Anchorage were listed in the *Reference Book*, table I-3 as
\$21.50. More detailed information on Anchorage rates may be found through state
tariffs.

⁸ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local
Service, and ACS.

U-04-70(1) Data Response and Affidavit

Data to be provided by economically regulated Eligible Telecommunications Carriers receiving loop or switch federal universal service support.

Company Name: _____

Date: _____

Contact Name: _____

Contact Phone Number: _____

DATA IS TO BE PROVIDED BY SEPARATE FORM FOR EACH STUDY AREA SERVED. COMPANIES THAT HAVE RECENTLY PURCHASED GTE EXCHANGES SHOULD FILE SEPARATE FORMS FOR THEIR NON-GTE AND GTE AREAS.

STUDY AREA: _____

Line	Data	USOA* Title	USOA* Acct. No.	Amount Estimated For 2003
1	Federal Local Loop Support:		_____	_____
2	Federal Local Switching Support:		_____	_____
3	State Local Switching Support		_____	_____
4	Total Federal and State Loop and Switching Support			_____

*For companies not required to follow the Uniformed System of Accounts (USOA), please indicate your account title and number.

5. Explain how your company employed universal service funds received in 2004.

6. Explain how your company plans to employ universal service funds received in 2005. For example, indicate how the funds will benefit your company's expansion plans, facilities deployment, or rates charge.

7. Affidavit:

As an authorized corporate officer of _____ (Utility Name), the holder of Certificate of Public Convenience and Necessity No. _____, issued by the Regulatory Commission of Alaska, I declare under penalty of unsworn falsification that I have examined this form and to the best of my knowledge and belief it is true, correct, and complete.

I hereby affirm familiarity with and understanding of the requirements of the Communications Act of 1934 as Amended by The Telecommunications Act of 1996 with Respect to the receipt of Universal Service Funds and affirm that such funds received in 2005 will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended pursuant to 47 U.S.C. 254(e).

Signature	Type or Print Name	Date

Subscribed and Sworn to before me this ____ day of _____, A.D. 20__

NOTARY PUBLIC

Commission Expires