

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: August 17, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Industry Development and Market Analysis (Wooten, Bates, Long)^{EW}
Office of the General Counsel (Murphy)^{EM} TM ^{CF}

RE: Docket No. 20180122-TP – 2019 State certification under 47 C.F.R. §54.313 and §54.314, annual reporting requirements for high-cost recipients and certification of support for eligible telecommunications carriers.

AGENDA: 08/29/18 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/01/18 (Filing deadline with Federal Communications Commission and Universal Service Administrative Company)

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 telecommunications carriers (ETCs) that serve these areas to recover some of their costs from the federal Universal Service Fund.

Each Florida ETC filed an affidavit with the Florida Public Service Commission (Commission) attesting that funds received during the preceding calendar year and the upcoming calendar year will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Staff's recommendation for certification affirms that the federal high-cost funds flowing to carriers in the state 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 [USAC] and the Commission [FCC] 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 2019, certification must be submitted by the Commission by October 1, 2018.¹ The certification may be filed online with USAC. After online certification is complete, the USAC website will generate a letter that can be subsequently filed electronically with the FCC to comport with the requirements of 47 C.F.R. §54.314(c). Based on prior support received by these carriers in Florida, staff estimates that the amount of high-cost support these carriers will receive for 2019 will be approximately \$58 million.²

¹ 47 C.F.R. §54.314(d).

² This estimate was obtained using data from the USAC high-cost funding data disbursement search tool and does not include wireless carriers.

Discussion of Issues

Issue 1: Should the Commission certify to USAC and to the FCC that BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a Consolidated Communications/GTC; 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; Smart City Telecommunications LLC d/b/a Smart City Telecom; and Windstream Florida, LLC 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 USAC and to the FCC that BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a Consolidated Communications/GTC; 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; Smart City Telecommunications LLC d/b/a Smart City Telecom; and Windstream Florida, LLC 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. (Wooten, Bates, Long)

Staff Analysis: Staff reviewed each of the carriers' affidavits and submissions to USAC. 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 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.

Previously, the Commission submitted certification to the FCC and USAC via USAC's online portal coupled with a separate letter from the Chairman. However, USAC's online certification process now generates a letter that can be used to file state certification at the FCC, making a separate letter from the Chairman unnecessary.

Having reviewed the ETCs' filings, staff recommends that the Commission certify to USAC and to the FCC, through USAC's online portal and the FCC's Electronic Comment Filing System, that BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast; Embarq Florida, Inc. d/b/a CenturyLink; Frontier Florida LLC; Frontier Communications of the South, LLC; GTC, Inc. d/b/a Consolidated Communications/GTC; 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; Smart City Telecommunications LLC d/b/a Smart City Telecom; and Windstream Florida, LLC 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

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coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

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Issue 2: Should this docket be closed?

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

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