

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

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) GT DOCKET 14-02
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GUAM TELECOM, LLC
USAC CERTIFICATION
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) PUC COUNSEL REPORT
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BACKGROUND

On November 29, 2010, the PUC granted GT's Petition for Designation as an Eligible Telecommunications Carrier ("ETC") throughout the Territory of Guam.¹ In accord with such Order, GT's annual designation as an ETC is subject to the provision of annual certifications and data submissions to the PUC.

GT has previously filed four Petitions for USAC Certification with the PUC.² On March 21, 2011, September 19, 2011, September 10, 2012, and November 26, 2013, the PUC Chairman issued "Use" Certifications indicating that Guam Telecom LLC would use federal high cost support funds only for the purposes for which the support is intended.³

On August 27, 2014, Guam Telecom, LLC ("GT") petitioned the Guam Public Utilities Commission ("PUC") to issue a certification that GT will use federal universal service support funds for purposes in compliance with Section 254(e) of the Telecommunications Act.⁴ GT seeks a finding by the PUC that GT will comply with §254(e), which states that universal service funds ("USF"), may be used only for the purposes designated in the Federal Act. Based upon such a finding by the PUC, GT will

¹ PUC Order Approving Designation, GT Docket 10-01, issued November 29, 2010.

² GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 11-02, filed March 10, 2011; GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 11-03, filed September 8, 2011; GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2012; and GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-01, filed November 26, 2013.

³ PUC "Use" Certification, CC Docket 96-45, issued March 21, 2011; PUC "Use" Certification, CC Docket 96-45, issued September 19, 2011; PUC "Use" Certification, CC Docket 96-45, issued September 10, 2012; and PUC "Use" Certification, CC Docket 96-45, issued November 26, 2013, as amended on January 9, 2014.

⁴ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-02, filed August 27, 2014.

be eligible to receive support pursuant to 47 C.F.R. §§54.301, 54.305, and/or 54.307, in the first, second, third and fourth quarters of the upcoming year.⁵

REQUIREMENTS AND COMPLIANCE THEREWITH

1. The requirements for an eligible telecommunications carrier to qualify for the receipt of universal service support funds are set forth in 47 C.F.R. Part 54.⁶
 - (a) A carrier that receives federal universal service support must use that support only for the provision, maintenance and upgrading of facilities and services for which the support is intended.⁷ Attached as Exhibit A to GT's Petition is the certification and declaration by James W. Hoffman II, the Chief Legal Officer of GT, that GT will use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with §254(e) of the Communications Act. This certification is for study area 669005.⁸
 - (b) Pursuant to 47 C.F.R. §54.101(e), an eligible telecommunications carrier must offer each of the designated services in order to receive federal universal service support.⁹ In particular, an ETC is required to provide the following services in order to be supported by Federal Universal Service Support mechanisms:
 - (1) Voice grade access to the public switched network;
 - (2) Local Usage;
 - (3) Dual tone multi-frequency or its functional equivalent;
 - (4) Single-party service or its functional equipment;
 - (5) Access to emergency services (such as 911 and enhanced 911);

⁵ Id. at p. 1.

⁶ 47 C.F.R. Part 54, Universal Service.

⁷ 47 C.F.R. §54.7.

⁸ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds, GT Docket 14-02, Exhibit A [Declaration of James W. Hoffman II].

⁹ 47 C.F.R. §54.101(b).

- (6) Access to operator services;
 - (7) Access to interexchange service;
 - (8) Access to directory assistance; and
 - (9) Toll limitation for qualifying low-income consumers.¹⁰
2. GT has certified that it complies with its ETC Designation Order Requirements as set forth in 47 C.F.R. §54.101(a).¹¹
- (a) Local Usage. GT certifies that it currently provides throughout Guam all of the services and functionality supported by the federal universal service program enumerated in 47 C.F.R. §54.101(a).¹²
 - (b) E911 Service. GT has certified that it currently provides its subscribers with 911 and enhanced 911 through arrangements with the incumbent local exchange carrier, GTA, which has the sole connection to the government of Guam's PSAP in the service area.¹³
 - (c) Certification of Service. GT has provided a certification that it offers all of the services designated by the FCC for support pursuant to §254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale. It further certifies that it advertises the availability of supported services through general television advertisements and on radio stations. Lifeline Assistance Service and Operator Assisted Services are now included in its General Exchange Tariff No. 1.¹⁴
 - (d) Notification of Inability to Provide Service to a Requesting Customer. An ETC such as GT is required to report "the number of requests for service from potential customers within the eligible telecommunication carrier's service areas that were unfulfilled during the past year."¹⁵ GT certifies that, for the period of January 1, 2013 to December 31, 2013, it had no

¹⁰ Id.

¹¹ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-02, filed August 27, 2014, at pgs. 2-4.

¹² Id. at p.2.

¹³ Id.

¹⁴ Id.

¹⁵ 47 C.F.R. §54.209(a)(3).

unfulfilled requests for voice service interconnected with the public phone network.¹⁶

(e) Filing of a Detailed Build-Out Plan Satisfying the FCC's Requirements.

GT is required to submit a five year plan that describes with specificity proposed improvements or upgrades in its network.¹⁷ GT's Five Year Network Improvement Plan is set forth as Exhibit B to its Petition, filed under a claim of confidentiality with the PUC, on August 27, 2014.¹⁸

The Plan provides description of the detailed improvements to its network structure over a five year period from 2011 through 2015 which GT has made or intends to make to its network.¹⁹ In 2014 and 2015, it will continue with various projects designed to expand its network to the outer lying areas of the island to bring service to more neighborhoods considered not currently serviceable due to high construction costs.²⁰

Improvements will be made in the central and southern parts of the island.²¹ GT will continue to increase its ability to remain active during power outages by pushing more fiber into neighborhoods and deploying more optical lines and fiber nodes with battery backup power supplies in stages throughout the island.²² It will continue to place its aerial network in underground conduits.²³ This is part of a multi-year plan that will take up to five years for completion.²⁴ GT will continue to expand its underground, protected fiber network to include the Guam Police Department and the Guam Fire Department.²⁵ GT will also make upgrades to its voice switching equipment and add more interconnection capacity.²⁶

(f) Filing of Annual Certification under 47 C.F.R. §54.314(b). As required, GT

¹⁶ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-02, filed August 27, 2014, at p. 2.

¹⁷ 47 C.F.R. §54.202(a)(6)(ii).

¹⁸ Confidential Submission of Exhibit B to Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-02, filed August 27, 2014.

¹⁹ Id. at pgs. 4-11.

²⁰ Id. at pgs. 8-9.

²¹ Id.

²² Id. at pgs. 9-10.

²³ Id.

²⁴ Id. at p. 10.

²⁵ Id.

²⁶ Id. at p. 11.

has certified that all federal high-cost support provided to it in the Territory of Guam will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. It will file with the PUC by August 31 of each year, beginning in 2014, an annual certification verifying that high cost support will only be used for those facilities and services for which the support is intended.²⁷

(g) Required Documentation. In accordance with the FCC ETC Designation Order²⁸ and Order Approving ETC Designation for GT²⁹, GT is required to file certain documentation to maintain its ETC Designation Status and to obtain an Order from the PUC approving its annual USAC Certification.

(1) Five Year Network Plan. As outlined above, GT has demonstrated substantial progress in meeting its 5-year network improvement plan.³⁰ Once it receives the universal support funds anticipated, it will more likely be able to achieve its goals in the Plan.

(2) Information on any outages. For the period of January 1, 2013, to December 31, 2013, GT did not have any voice outages from customers within GT's service area.³¹

(3) Unfulfilled Requests for Service. For the period of January 1, 2013 to December 31, 2013, GT did not have any unfulfilled requests for service from potential customers within GT's service area.³²

(4) Complaints per 1,000 lines. For the period of January 1, 2013, to December 31, 2013, GT is not aware of any complaints filed with the PUC or any other regulatory body.³³

(5) Service Quality Standards and Consumer Protection Rules. GT

²⁷ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-02, filed August 27, 2014, at p. 3.

²⁸ *In the Matter of Federal – State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (Released March 17, 2005).

²⁹ PUC Order Approving Designation, GT Docket 10-02, filed November 29, 2010.

³⁰ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-02, filed August 27, 2014, at p. 3; see also Exhibit B.

³¹ *Id.* at p. 3.

³² *Id.*

³³ *Id.* at p. 3.

certifies that it is complying with applicable service quality standards and consumer protection rules.³⁴

- (6) Ability to Function in Emergency Situations. GT certifies that it is able to function in emergency situations.³⁵
- (7) Certification of Local Usage Plan. GT includes unlimited local usage in its service rate plans and certifies that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier, GTA Teleguam.³⁶
- (8) Equal Access Certification. GT acknowledges and certifies that the PUC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.³⁷

RECOMMENDATION

GT indicates that, during the calendar year 2013, it received \$411,975.00 from USAC's High Cost support program. Based upon the Petition and supporting exhibits submitted by GT, it appears that the USF received in calendar year 2013 has been used as intended. It is Counsel's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to GT in calendar year 2015 will be used in accord with the purposes and requirements stated in the Federal Act and Code of Federal Regulations. Counsel recommends that GT's request for USAC certification be GRANTED.

Legal Counsel has not become aware of any contrary evidence which would contradict any of the above certifications by GT. It is Legal Counsel's belief that GT has satisfied all of the requirements set forth in the Code of Federal Regulations, the GT ETC Designation Order, and the FCC's requirements. There is no basis upon which it would be expected that USF support will not be used by GT for the purposes intended.

³⁴ Id. at p. 4.

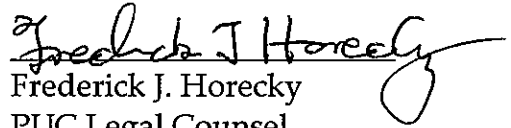
³⁵ Id.

³⁶ Id.

³⁷ Id.

Therefore, Legal counsel recommends approval of GT's request for USAC certification.

Dated this 15th day of September, 2014.


Frederick J. Horecky
PUC Legal Counsel