

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of:

TeleGuam Holdings, LLC ("GTA")  
USAC CERTIFICATION

GTA Docket 25-01

ALJ REPORT



BACKGROUND

On August 22, 2025, TeleGuam Holdings LLC ("GTA") filed its 2025 Annual USAC filing. It petitioned the PUC to issue a Certification that GTA will use federal universal service support funds for purposes in compliance with Section 254(e) of the Communications Act.<sup>1</sup> GTA receives monies from interstate universal service funds ["USF"] that are designated to support local services, build needed infrastructure and improve service quality.

Each year the PUC is required to certify to the FCC and the Universal Service Administrative Company (USAC) that those funds will be used only for the purposes designated in the Federal Act.<sup>2</sup> Absent such a Certification by PUC, GTA, as an "Eligible Telecommunications Carrier" ("ETC"), would be denied funds for each quarter of the year that certification is delayed.

GTA's Petition states that universal support funds received by it are all being used to support core services that are designated for USF support.<sup>3</sup> The Chief Operating Officer of GTA, Andrew M. Gayle, Jr., has certified that all federal high-cost support received will be used only for the provision, maintenance, and upgrading of facilities and services for which support is intended.<sup>4</sup>

All federal high-cost funds received are used to support core services.<sup>5</sup> GTA indicates that the cost of providing these core services is covered by federal high-cost fund support as intended by the federal USF programs.<sup>6</sup>

<sup>1</sup> GTA Petition for Annual USAC Certification, GTA Docket 25-01, filed August 22, 2025, at p. 1.

<sup>2</sup> Georgetown Consulting Group Report on USAC Certification - GTA Telecom, dated September 12, 2008.

<sup>3</sup> GTA Petition, *supra*, at pg. 1.

<sup>4</sup> GTA Petition, *supra*, attached 2025 High-Cost Support Use Certification of TeleGuam Holdings, LLC (Andrew M. Gayle, Chief Operating Officer).

<sup>5</sup> GTA Petition, *supra*, at pgs. 3-4.

<sup>6</sup> *Id.*

On March 17, 2005, the FCC released its ETC (“Eligible Telecommunications Carrier”) Designation Order, which adopted specific requirements for ETCs granted designation pursuant to Section 214(e)(6) of the Federal Act.<sup>7</sup> The FCC designated nine core services that are eligible for Universal Service Fund (USF) support: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services, access to directory assistance; and toll limitation service for qualifying low-income consumers.<sup>8</sup>

### **COMPLIANCE WITH FCC AND ETC DESIGNATION ORDER REQUIREMENTS**

In its Petition, GTA certifies that, in accordance with 47 C.F.R. §54.101, GTA provides all the core services that are designated for USF support. It offered all of the services designated by the FCC for support pursuant to Section 254 (c) of the Federal Act during calendar year 2024 and to date in 2025.<sup>9</sup> It provides those services as part of its basic residential and business local line service under its General Exchange Tariff approved by the PUC.<sup>10</sup> Through GTA’s tariff, its customers are able to purchase single party, unlimited local usage telephone services that utilize dual tone multifrequency signaling. In addition, GTA provides access to 911 as well as access to operator services, directory assistance and access to interexchange services. It provides toll limitation for domestic and international toll calls.<sup>11</sup>

The federal support received by GTA is Broadband Loop Support and Interstate Carrier Compensation.<sup>12</sup> GTA has certified that, as a recipient of Connect America Fund-Broadband Loop Support it has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 25 Mbps downstream/ 3 Mbps upstream, with latency suitable for real-time applications, and usage capacity that is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time. If a request for broadband service at actual speeds of at least 25 Mbps downstream/3 Mbps upstream is unreasonable, the Company offers broadband service at the highest available speed.<sup>13</sup>

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<sup>7</sup> *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) (the “ETC Designation Order”).

<sup>8</sup> *Id.*

<sup>9</sup> GTA Petition, *supra*, at p. 4.

<sup>10</sup> GTA Petition, *supra*, at p. 2.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at p. 4.

<sup>13</sup> Exhibit B to GTA Petition, for Annual USAC Certification, GTA Docket 25-01, filed August 22, 2025, FCC Form 481, attachment “Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i))”.

GTA has submitted information to demonstrate that it is in compliance with the FCC requirements of the ETC Designation Order:

1. Progress report on the ETC's five-year Service Quality Improvement Plan. The Federal Communications Commission requires ETCs to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(c) of the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter.<sup>14</sup> Section 54.202(a)(1)(ii) requires the ETCs to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area, including an estimate of the area and population that will be served as a result of the improvements.<sup>15</sup>

In particular, the FCC March 5, 2013 Order specified that, for rate-of-return carriers [i.e. "GTA"], the five-year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories."<sup>16</sup> The FCC has indicated that a key component of the certification issued by entities such as the Guam PUC under Section 254(e) is whether USF support is being used to maintain and extend modern networks capable of providing voice and broadband service.<sup>17</sup>

The FCC's five-year plan requirements require the ETC to describe with "specificity" the proposed improvements or upgrades to the ETC's network throughout its service area: (1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of

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<sup>14</sup> See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*; WC Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) ("*March 5, 2013 Order*") at Para's. 4, 6-9. Delaying Five Year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para 8 (released May 16, 2013).

<sup>15</sup> 47 C.F.R. §54.202(a)(1)(ii).

<sup>16</sup> March 5, 2013 Order at Par. 9 *citing* Section 54.202(a)(1)(ii).

<sup>17</sup> USF/ICC Transformation Order at Par. 612.

investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.<sup>18</sup>

GTA has submitted, under seal, its Five-Year Service Quality Improvement Plan.<sup>19</sup> Exhibit A, GTA's Five-Year Buildout Plan, sets forth GTA's major network improvement projects for the eight calendar years 2022 through 2029, along with the start and completion dates, capital costs, project type, and areas and populations associated with those projects.<sup>20</sup>

GTA indicates that use of eligible funds for these projects will enhance its network and invest in new technology.<sup>21</sup> The projects listed for 2022-2029 are all for expansion of Fiber to the Home (FTTH). FTTH is the installation and use of optical fiber from a central point directly to individual buildings such as residences, apartment buildings and businesses, to provide high-speed internet access. FTTH dramatically increases connection speeds available to computer users. Because of its significantly higher bandwidth, FTTH is considered by experts as the best technology to handle customer network demands in the coming decades.<sup>22</sup> GTA intends to significantly expand Fiber to the Home in all areas of Guam including the northern, central, and southern areas.<sup>23</sup>

GTA had previously intended to only use eligible funds for VDSL ("Very high data rate Digital Subscriber Line"). However, because of the promise of FTTH "as the best technology," GTA determined that it would "pivot" to that new technology.<sup>24</sup> GTA has also indicated a breakdown of start and

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<sup>18</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("2005 ETC Order").

<sup>19</sup> GTA Petition, *supra*, GTA Docket 25-01, EVIDENTIARY SUBMISSION, Exhibit A, GTA's Five-Year Build Out Plan.

<sup>20</sup> *Id.*

<sup>21</sup> GTA Petition for USAC Certification at p. 4.

<sup>22</sup> See Definition, Fiber to the Home (FTTH), <https://www.techtarget.com/searchnetworking/definition/fiber-to-the-home>

<sup>23</sup> GTA Petition, *supra*, GTA Docket 25-01, EVIDENTIARY SUBMISSION, Exhibit A, GTA's Five-Year Build Out Plan.

<sup>24</sup> Conversation between previous Executive Vice President of GTA, Dan Tydingco, and Fred Horecky, PUC ALJ, on September 9, 2024.

completion dates for homes, numbers of homes passed, area locations, and estimated total expenditures associated with the projects.<sup>25</sup>

2. Detailed information on any outage lasting at least 30 minutes. GTA had no outages that affected landline service in 2024.<sup>26</sup>
3. The number of requests for service from potential customers that were unfulfilled for the past year. There were no requests for service from potential customers that were unfulfilled for the past year, other than requests that GTA was unable to fulfill due to the subscriber's inability to pay the required deposits for delivery of service or service drops for new subscribers.<sup>27</sup>
4. The number of complaints per 1,000 handsets or lines. During calendar year 2024 and to date 2025, GTA was not aware of any end user complaints filed with the PUC or any other regulatory body.<sup>28</sup>
5. Certification that the ETC is complying with applicable service quality standards. GTA certifies that it adheres to all applicable PUC service quality standards, and FCC Rules and Orders.<sup>29</sup>
6. Certification that ETC is able to function in emergency situations. GTA certifies that it has the ability to remain functional in emergency situations. Through the use of its backup electricity generators, buried copper and fiber plant, and backup battery power at its Central Office and Remote Equipment Centers, GTA has the necessary infrastructure and equipment to remain functional in situations that include fires, earthquakes, or typhoons.<sup>30</sup>
7. Certification that the ETC is offering a local usage plan that is comparable to the incumbent LEC. GTA is the incumbent LEC and offers an unlimited local usage plan to its subscribers.<sup>31</sup> GTA's rate for voice service

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<sup>25</sup> GTA Petition, *supra*, Exhibit A, GTA's Five-Year Buildout Plan.

<sup>26</sup> GTA Petition, at p. 3.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

is no more than two (2) standard deviations above the national average urban rate of \$30.67.<sup>32</sup>

8. Certification that the carrier acknowledges that the Commission may require it to provide equal access. GTA currently offers equal access to all of its subscribers and therefore is in compliance with this requirement.<sup>33</sup>
9. Certification that the carrier complies with all CPNI Information. GTA complies with all Consumer Proprietary Network Information (CPNI) and customer privacy, including local laws relating to consumer protection.<sup>34</sup>

GTA has also provided the required certification that it has advertised the availability of the supported services and charges through general media distribution, including direct mailing, Internet, newspaper advertising, and radio.<sup>35</sup>

GTA indicates that, for calendar year 2024, it received \$13,759,074 in Broadband Loop Support (CAF/BLS).<sup>36</sup> For the 2025 calendar year to date, GTA received a total of \$6,717,036 in Broadband Loop Support.<sup>37</sup> GTA received \$687,167 in calendar year 2024 and \$441,718 in calendar year 2025 to date in Interstate Carrier Compensation (BLS/ICC).<sup>38</sup> GTA has also submitted audited financial data for 2024 as an attachment to its Petition to demonstrate that all funds are being used to support core services.<sup>39</sup> Based upon the Petition and supporting exhibits submitted by GTA, it appears that the USF received in calendar year 2024 has been used as intended. The Administrative Law Judge is not aware of any evidence which contradicts the above certifications by GTA and believes that such certifications should be accepted. It is the Administrative Law Judge's recommendation that GTA's request for USAC Certification be granted. The Commission may reasonably certify that future USF received by GTA will be appropriately used. A draft letter to the FCC approving Teleguam Holdings LLC "Use" certification is submitted herewith.

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<sup>32</sup> Id.

<sup>33</sup> Id.

<sup>34</sup> Id.

<sup>35</sup> Id. at p. 4.

<sup>36</sup> Id.


<sup>37</sup> Id.

<sup>38</sup> Id.

<sup>39</sup> GTA Petition, Exhibit C, EVIDENTIARY SUBMISSION, GTA Audited Financial Data.



Dated this 25<sup>th</sup> day of August, 2025.

  
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Frederick J. Horecky  
Administrative Law Judge