



December 13, 2021

Filing Center
Oregon Public Utility Commission
P.O. Box 1088
Salem, OR 97308

Re: AR 649; Rulemaking to Adopt Rules Pursuant to ORS 759.425

To Parties of AR 649; Rulemaking to Adopt Rules Pursuant to ORS 759.425:

The National Tribal Telecommunications Association (“NTTA”) is a membership organization representing small, rural, and insular telecommunications companies that are Tribally-owned and serve Tribal lands. Warm Springs Telecom (“WST”) is a member of the NTTA. We are writing the Oregon Public Utility Commission (“OPUC” or “Commission”) to support WST’s comments in AR 649 regarding WST’s previous position on the Oregon Universal Service Fund (OUSF) that its support should remain frozen in exchange for predetermined buildout obligations related to OUSF support submitted in a proposal filed in UM 2040 on January 18, 2021. In the current docket, Staff requests comment on three options for calculating the cost of providing service pursuant to ORS 759.425(3): under an embedded cost model; under a forward-looking cost model; and by splitting the fund based on company size.

Using an embedded cost model is not a viable option for WST because WST is not required to, and accordingly does not, maintain its financial records in Federal Communications Commission (FCC) Part 32 format, which appears to be the way contemplated in this proceeding. Since WST is not subject to the accounting and allocation rules maintained by the FCC that incumbent carriers are, this is not a suitable alternative for WST.

NTTA also believes a forward-looking cost model will not work for WST in determining OUSF. NTTA notes that cost models to determine universal service support on Tribal lands, in general, are not representative of the cost of providing service. The FCC correspondingly states that operating costs on Tribal lands are higher than non-Tribal carriers:

“...we increase the amount of operating costs that carriers that predominantly serve Tribal lands can recover from the universal service fund (USF) in recognition that they are likely to have higher costs than

carriers not serving Tribal lands. This action will provide additional funding to these carriers to provide both voice and broadband services to their customers.”¹

The third option, splitting the fund based on the size of the company, indicates that small companies could utilize the embedded cost approach while larger companies could have their support based on a model-based methodology. As outlined above, neither of these approaches are viable alternatives for WST. Since WST is a competitive carrier and has qualified for OUSF support based on previous precedence, NTTA recommends that Staff consider adding competitive carriers to the options qualifying companies for OUSF support. In addition, there is a public interest component whereby OUSF support is critical for WST and the Tribal members it serves, which arguably represent the customers that most economically warrant and are in most need of voice and broadband access in the nation based on the digital divide that exists from the FCC’s latest broadband progress report.²

NTTA appreciates the opportunity to provide input to this matter, and to support WST’s position taken in Docket No. AR 649.

Sincerely,

/s/

Godfrey Enjady
President
National Tribal Telecommunications Association

cc: AR 649 Service List

¹ WC Docket No. 10-90 released April 5, 2018

² <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/fourteenth-broadband-deployment-report>