



STATE OF NEW JERSEY
Board of Public Utilities
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OFFICE OF CABLE TELEVISION
AND TELECOMMUNICATIONS

I/M/O THE PETITION OF UNITED TELEPHONE) ORDER
COMPANY OF NEW JERSEY INC.)
D/B/A CENTURY LINK FOR CERTIFICATION WITH)
REGARD TO THE USE OF HIGH-COST)
SUPPORT FUNDS) DOCKET NO. TO12090874

Parties of Record:

Colleen A. Foley Esq., the United Telephone of New Jersey, Inc. d/b/a CenturyLink
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND:

On June 19, 2020, United Telephone Company of New Jersey, Inc. d/b/a CenturyLink (“CenturyLink” or “Company”) filed a letter petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”) seeking modification to the Board’s certification process as set forth in its November 20, 2012 Order.¹

CenturyLink is an incumbent local exchange carrier (“ILEC”) certified as an Eligible Telecommunications Carrier (“ETC”) by the Board in 1998.² As an ETC, the Company is eligible to receive federal universal service funding through the federal high-cost universal service program. It provides telecommunications service to customers in all or portions of Hunterdon, Sussex, Somerset, Morris, and Warren counties and it is a rural telephone company as defined by the Telecommunications Act of 1996.³

¹ See *In the Matter of the Petition of United Telephone Company of New Jersey, Inc. d/b/a CenturyLink for Certification with Regard to the Use of High-Cost Support Funds*, BPU Docket No. T012090874, Order dated November 20, 2012.

² See *In the Matter of a Petition by United Telephone Company of New Jersey, Inc. for Designation as an Eligible Telecommunications Carrier Under the Telecommunications Act of 1996*, BPU Docket No. TO97110828, Order dated January 23, 1998.

³ 47 U.S.C. § 153(44).

In 2011, the Federal Communications Commission (“FCC”) issued its 2011 USF/ICC Transformation Order (“Transformation Order”) requiring ETCs to undergo an annual certification process.⁴ Pursuant to that Order, CenturyLink filed a verified petition on September 27, 2012 with the Board requesting it provide certification to the FCC stating that all federal high-cost support funds provided to the Company within New Jersey were 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 (“2012 Petition”).⁵

In response to the 2012 Petition, the Board established a process for certification and issued an order on November 20, 2012 (“November 2012 Order”) requiring the Company to submit semi-annual reports on July 1st and January 1st as part of ETC certification in order to receive federal universal service support high-cost funds. The manner and format of the Company’s annual ETC filing was to be determined by Staff and directed the Company to provide auditable information sufficient for Staff to determine the Company’s level of compliance with federal law including, but not limited to, complying with the FCC’s required uses of universal service support high-cost funds. In addition, the November 2012 Order required that simultaneously with its July 1st state paper filing, the Company was to provide public notice of its ETC filing in newspapers of general circulation in its service.⁶

Subsequent to the Board’s issuance of the November 2012 Order, the FCC initiated an electronic filing system in 2017 which requires an ETC to make its annual certification Form 481 filing and accompanying data directly through the Universal Service Administrative Company’s (“USAC”) online portal in an effort to streamline and modernize the process.

Based upon these changes, the Company now requests modification to the existing ETC certification process previously established in the November 2012 Order to conform with the use of the online portal.

Specifically, the Company requests the following:

1. On or before July 1st of each year, the Company will file a letter with the Board requesting ETC certification and supported by an affidavit executed by an authorized corporate officer, affirming that the funds received will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to 47

⁴ As an ETC, the Company is required by the FCC to undergo an annual certification process that begins on July 1st with the filing of the FCC Form 481 which includes reports and other data required under 47 C.F.R §§ 54.313 and 54.422 and concludes once certified by the Board on or before October 1st.

⁵ 47 C.F.R. § 54.314(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 and the Commission 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.”)

⁶ In *the Matter of the Petition of United Telephone Company of New Jersey, Inc. d/b/a CenturyLink for Certification with Regard to the Use of High-Cost Support Funds*, BPU Docket No. T012090874, Order dated November 20, 2012.

U.S.C. § 254 (e). The letter will also confirm the Company's completion of the FCC Form 481 and its submission and availability to Staff through the USAC portal.

2. The Company will confirm with Staff (within 30 days after filing with the Board the letter referenced in paragraph 1) to ensure Staff has access to the USAC portal and the data needed to complete the ETC certification process. If Staff determines that additional information is necessary to complete the Company's ETC certification process, then the Company shall provide the information on a timely basis, as requested by Staff.
3. The Company will no longer be required to file the July 1st and January 1st reports as had been previously ordered by the November 2012 Order.
4. The Company will no longer be required to publish newspaper notice of its request to the Board for ETC certification.

The Company maintains that these changes to the ETC Certification process will minimize administrative costs, and will provide a convenient, timely, and easily accessible central location for the information Staff needs to complete the ETC certification process. In addition, the Company submits all information required by Staff as part of the ETC Certification process is available online, which will prevent duplication of document submission and eliminate the time consuming process of preparing and filing compilations of data for submission to the Board. The Company further maintains that the USAC portal offers Staff the feature of convenient electronic access to all required information on a 24/7 basis that can be accessed from remote locations.

On July 8, 2020 the Division of Rate Counsel ("Rate Counsel") submitted comments to the Board in response to the Petition. In its comments, Rate Counsel acknowledges the rationale behind CenturyLink's request and the efficiencies sought; however, it avers that the information contained in the USAC portal may be limited or may not always be available, citing a 2017 CAF/ETC Report & Order, where the FCC eliminated the inclusion of certain information under its Form 481 because it was duplicative to data received by the FCC in other carrier reporting.

According to Rate Counsel, the elimination of those reports from the Form 481 might hinder Staff's ability to properly review and complete the certification process and adequately measure CenturyLink's performance.

However, notwithstanding its concerns, Rate Counsel does not oppose Board approval of the Company's requests, but recommends that the Board consider the following recommendations:

1. The Board order should include firm commitments to ensure the Company will provide Staff with the information necessary in its ETC certification process when online access to the USAC portal is unavailable and/or when online information is insufficient for the Staff to effectuate its ETC certification review process.
2. Staff shall verify the information it will be able to access on USAC's online portal in connection with an ETC's FCC Form 481 certification filing.
3. Rate Counsel recommends the Board continue the Company's requirement to provide public notice. However, in the digital age, Rate Counsel recognizes that other media could replace the standard newspaper notice requirement currently being utilized.

By letter dated July 24, 2020, the Company submitted a response to Rate Counsel's comments disputing Rate Counsel's claims that the USAC portal may not be reliable and disagreeing with the requirement that CenturyLink continue publication of newspaper notification. The Company stated that newspaper notice is costly, ineffective and inefficient.

DISCUSSION

The Company has petitioned the Board requesting modification of the Board's ETC certification process, which would eliminate the need for paper filings that it currently files on or before July 1st and January 1st of each year and the associated newspaper notifications in favor of utilization of the USAC online portal. According to the Company, its request will eliminate unnecessary paper submissions, allow Staff 24/7 access to the data and information, and provide savings and efficiencies to both Staff and the Company.

The Board is cognizant of improvements made to the systems at the FCC that allow for electronic filings and submissions eliminating the need to file hard copies, which unnecessarily waste paper and resources. In fact, the Board has recognized the value of utilizing electronic filings and submissions in *I/M/O the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, Docket No. EO20030254, Order dated March 19, 2020. In that Order, the Board suspended paper filings and permitted electronic filings.

While Rate Counsel does not oppose the Petition, it has raised concerns about the availability of the USAC online portal and elimination of certain reports from the Form 481. In addition, it recommends that the Company continue to provide public notice and provide proof of alternative notification methods to consumers when making its ETC filing.

The Company's ability to file the FCC Form 481 electronically through the USAC portal eliminates the need for paper filings and results in more efficient processing of the data by removing intermediate steps, and creates a record which can be accessed by state commissions such as the Board. In the Board's opinion, the Company's requests are reasonable and we have an affirmative duty to consider changes, especially when they are supported by technological efficiencies that eliminate waste and resources whether they be financial, natural, or physical, such as personnel.

In response to Rate Counsel's concerns regarding Staff's ability for fully analyzing the filing, we note that the requested changes in no way eliminates Staff's ability to require any additional information necessary to complete the certification process. In fact, if the Company fails to provide such data, Staff will not certify the submission, which would jeopardize CenturyLink's ability to access the funds. Furthermore, the unreliability of the USAC Portal alleged by Rate Counsel appears to be unfounded. While outages occur with any online system, they are generally remedied with minimal disruption.

Based upon the foregoing, the Board **HEREBY GRANTS** the Company's requests as **MODIFIED** below with respect to the notification requirement. Specifically, the Company is **DIRECTED TO:**

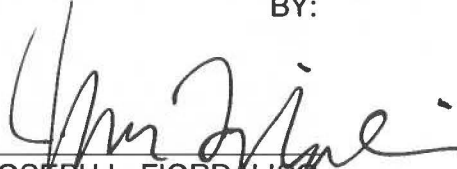
1. On or before July 1st of each year, file a letter with the Board requesting ETC certification supported by an affidavit executed by an authorized corporate officer, affirming that the funds received will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to 47 U.S.C. § 254 (e). The letter shall also confirm the Company's completion of the FCC Form 481 and its submission and availability to Staff through the USAC portal.
2. The Company will confirm with Staff (within 30 days after filing with the Board of its letter referenced in paragraph 1 which notifies Staff of the Form 481 submission and requests Board certification) to ensure it has access to the USAC portal and the data needed to complete the ETC certification process. If Staff determines that additional information is necessary to complete the Company's ETC certification process, the Company shall provide the information on a timely basis, as requested by Staff.
3. The Company will no longer be required to file the July 1st and January 1st reports as had been previously ordered by the November 2012 Order.
4. The Company will no longer be required to publish newspaper notice of its request to the Board for ETC certification.
5. However, in lieu of newspaper notification, the Company will be required to provide a legal notice on its website. A draft notice will be included with the July 1st letter referenced in paragraph 1 above. Once approved by Staff, the Company will post on its website and confirm for Staff that such posting has occurred.

Based upon a thorough review of the record, and consistent with law, the Board **HEREBY GRANTS** the Company's request as **MODIFIED.**

This Order shall be effective on August 25, 2021.

DATED: 8/18/21

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE PETITION OF UNITED TELEPHONE COMPANY OF NEW JERSEY
INC. D/B/A CENTURY LINK FOR CERTIFICATION WITH REGARD TO THE USE OF HIGH-
COST SUPPORT FUNDS**

DOCKET NO. TO12090874

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