

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission)
Investigation of the Intrastate Universal) Case No. 97-632-TP-COI
Service Discounts.)

FINDING AND ORDER

The Commission finds:

- (1) On May 7, 1997, the Federal Communications Commission (FCC) issued a Report and Order in CC Docket 96-45 (96-45) (*In the Matter of Federal-State Board on Universal Service*) adopting rules to promote universal service consistent with the requirements of the Telecommunications Act of 1996 (1996 Act). In its 96-45 decision, the FCC, among other things, set forth parameters for the states to determine those carriers eligible to receive federal universal service support. The states were further to determine those carriers that should be classified as rural carriers or non-rural carriers for the purpose of federal universal service support consistent with the Communications Act of 1934, as amended.
- (2) On May 23, 2001, the FCC released its Fourteenth Report and Order and Twenty-Second Order on Reconsideration in CC Docket No. 96-45, and determined that states should be responsible for deciding whether rural carriers are using their universal service high cost support, specifically, high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. §54.305] consistent with Section 254(e). Under Section 254(e), carriers must use universal service support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." Accordingly, the FCC stated that it would require the states that wish to receive federal universal service high cost funding support for rural carriers within their boundaries to file a certification with the FCC and the Universal Service Administrative Company (USAC) stating that all federal high-cost funds flowing to those carriers in that state will be used in a manner consistent with

Section 254(e). Absent such certification, carriers will not receive such support. Moreover, in the event that a State determines that a carrier has not complied with Section 254(e), the State shall have the authority to revoke a carrier's certification.

- (3) FCC certifications for federal high cost funding are to be submitted annually on October 1, in order to be eligible for high cost support throughout the next full calendar year. This Entry initiates the ninth annual proceeding conducted by the Commission pursuant to these federal directives.
- (4) In order to comply with the FCC's certification requirements, on August 26, 2009, the Commission released an Entry in the instant docket calling for notarized affidavits from those rural carriers receiving federal universal service high cost funding in Ohio, attesting that they will utilize such support consistent with Section 254(e). All affected carriers were required to use a template affidavit form provided by the Commission (as Attachment A in the August 26, 2009 Entry), and were directed to file such affidavits by September 14, 2009. Accordingly, properly filed affidavits were received from the following carriers:

Arcadia Telephone Company d/b/a TDS Telecom
The Arthur Mutual Telephone Company
Ayersville Telephone Company
Bascom Mutual Telephone Company
Benton Ridge Telephone Company
Buckland Telephone Company
Century Tel of Ohio, Inc.
The Champaign Telephone Company
The Chillicothe Telephone Company
The Columbus Grove Telephone Company
The Conneaut Telephone Company
Continental Telephone Company d/b/a TDS Telecom
Doylestown Telephone Company
Farmers Mutual Telephone Company
Fort Jennings Telephone Company
Frontier Telecommunications of Michigan
Germantown Independent Telephone Company
Glandorf Telephone Company, Inc.
Kalida Telephone Company, Inc.

Little Miami Telephone Corporation d/b/a TDS Telecom
McClure Telephone Company
Middle Point Home Telephone Company
Minford Telephone Company
New Knoxville Telephone Company
Nova Telephone Company
Oakwood Telephone Company d/b/a TDS Telecom
Orwell Telephone Company
The Ottoville Mutual Telephone Company
Pattersonville Telephone Company
Ridgeville Telephone Company
Sherwood Mutual Telephone Association, Inc.
Sycamore Telephone Company
Telephone Service Company
Vanlue Telephone Company d/b/a TDS Telecom
Vaughnsville Telephone Company
Wabash Telephone Company

- (5) The Commission's Staff has reviewed the affidavits submitted by the aforementioned companies, and has concluded that they satisfy the FCC's requirements for certification to receive high cost funding consistent with Section 254(e) of the 1996 Act.
- (6) The Commission finds that certification of the aforementioned carriers to receive federal high cost support, as well as high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. §54.305] for rural carriers, should be granted.

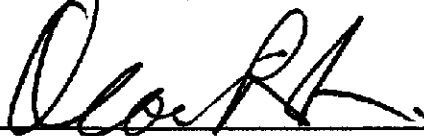
It is, therefore,

ORDERED, That all carriers identified in Finding (4) above are hereby certified to the FCC and USAC as being eligible to receive federal high cost support, as well as high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. §54.305] for rural carriers, as such carriers have demonstrated their intent to utilize such funding in a manner consistent with Section 254(e) of the Telecommunications Act of 1996. It is, further,

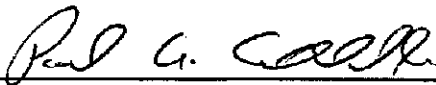
ORDERED, That nothing contained in this Finding and Order shall be deemed binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon the Ohio Telecom Association and Telephone Service Company.

THE PUBLIC UTILITIES COMMISSION OF OHIO



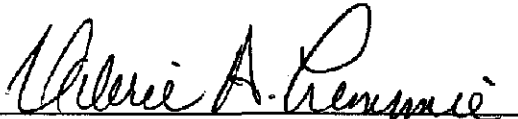
Alan R. Schriber, Chairman



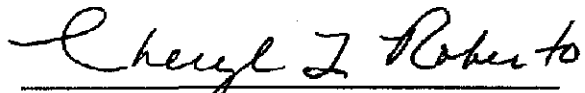
Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie

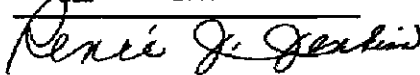


Cheryl L. Roberto

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Entered in the Journal

SEP 15 2009



Renee J. Jenkins

Secretary