

BASIS, PURPOSE AND STATUTORY AUTHORITY.

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Adoption [LRP1] of the changes to 4 CCR 723-41-7.1, 4 CCR 723-41-7.2.1.2, 4 CCR 723-41-7.3 or 4 CCR 723-41-7.4 described herein are necessary to assist the Commission in identifying those telecommunications providers who are not required to contribute to the Colorado High Cost Administration Fund and, if necessary, to independently confirm a provider's entitlement to that exemption.

Adoption of the changes to Rules 4 CCR 723-41-2.1.1 and 2.1.2, 4 CCR 723-41-7.2.2.1 and 7.2.2.1.1, and 4 CCR 723-41-9.2.3 described herein are necessary to implement the policy of providing support to non-rural providers for all access lines served in high cost geographic support areas.

The statutory authority for the amendments to the above-stated rules is contained in §§ 40-2-108(2) C.R.S., § 40-3-102 C.R.S. and § 40-15-208 C.R.S.

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~~723 41 2.1.1 Primary Residential Access Line. The first Access Line installed at a residential address. There can be only one Primary Residential Access Line per residence address. Any additional Access Line(s) installed at the same residence address (whether in a different name or not) shall not be considered Primary Residential Access Lines for purposes of HCSM support.~~

~~723 41 2.1.2 Single Line Business Access Line. The first Access Line installed at a business address. There~~

~~can be only one Single Line Business Access Line per business address. Any additional Access Line(s) installed at the same business address (whether in a different name or not) shall not be considered as Single Line Business Access Lines for purposes of HCSM support.~~

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723-41-7.1 Contributors. Every provider of intrastate telecommunications service to the public, or to such classes of users as to be effectively available to the public, every provider of intrastate telecommunications that offers telecommunications for a fee on a non-common carrier basis, and payphone providers that are aggregators not falling within the de minimis exemption of Rule 7.2.1.2 must contribute to the HCSM.

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723-41-7.2.1.2 De Minimis Exemption. If a ~~contributor's~~ telecommunication service provider's contribution to the HCSM in any given year is calculated to be less than \$10,000, that contributor will not be required to submit a contribution. Telecommunications service providers falling within this de minimis exemption are required to file with the Administrator or the only that portion of the HCSM Worksheet for that period that certifies their de minimis status. Such ~~de minimis~~ certification shall be accompanied by an affidavit of an officer of the telecommunication service provider attesting to the veracity of its self-certification.

However, each telecommunications service provider exempt from contributing because of its *de minimis* revenues shall retain complete documentation (including, but not limited to the information required in the HCSM Worksheet) and shall make such documentation available to the Administrator upon request. Notwithstanding the *de minimis* exemption of this Rule 7.2.1.2, all Eligible Providers are required to remit contributions and to file the entire HCSM Worksheet.

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723-41-7.2.2.1 Each Eligible Provider receiving support pursuant to Rule 9.2 shall provide to the Administrator a verified accounting of: 1) the actual number of ~~Primary~~ Residential and ~~Single Line~~ Business Access Lines served by such provider in each Geographic Area as of the last day of each month; and 2) the actual amount of contributions collected in the month. An appropriate form is to be completed and returned to the Administrator by the 15th day of the subsequent month.

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~~723 41 7.2.2.1.1 In completing the form Eligible Providers shall be guided by the following: An Eligible Provider that is the provider of last resort ("POLR") and is providing service will always receive HCSM support. If a competitive Eligible Provider, wireless or wireline, commences primary line service such that the POLR is no longer providing service, then the support is ported to the Competitive Eligible Provider. If an Eligible Provider that~~

~~is the POLR, subsequently regains the customer and begins providing service, then only the Eligible Provider that is the POLR will receive the HCSM support.~~

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723-41-7.3 Application of the Rate Element to Customer Billings. The HCSM rate element shall be applied to the Retail Revenues of each telecommunications service provider's end-user and shall appear as a line item on the monthly bill of each such end-user, except that telecommunications service providers falling within the de minimis exemption of Rule 7.2.1.2 shall not apply the HCSM rate element, nor collect such contribution from their~~its~~ end-users. Where an end-user service location receiving the bill and an end-user service location receiving the service differ, the location of the telecommunication service delivery shall be used to determine whether the HCSM rate element applies.

723-41-7.4 Remittance of Contributions. All telecommunications service providers not falling within the de minimis exemption of Rule 7.2.1.2 shall be responsible for collecting and remitting quarterly the HCSM rate element receipts according to the following procedure:

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723-41-9.2.3 Amount of Support: Each Eligible Provider shall receive support from the HCSM based on the number of ~~Primary~~ Residential and ~~Single Line~~ Business Access Lines it serves in the non-rural high cost Geographic Support

Areas, as designated by the Commission, multiplied by the difference between the per line Intrastate Proxy Cost in such Geographic Support Area and the applicable per Access Line Revenue Benchmark as determined by the Commission. The amount of support shall be reduced by any other amount of support received by such provider or for which such provider is eligible under support mechanisms established by the federal government and/or this State.