

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 17I-0680T

IN THE MATTER OF THE INVESTIGATION OF THE COLORADO HIGH COST SUPPORT MECHANISM AND THE FUNDING OF BASIC VOICE SERVICE.

**DECISION OPENING PROCEEDING FOR REPOSITORY
INFORMATION AND SCHEDULING COMMISSIONER
INFORMATION MEETING**

Mailed Date: October 24, 2017
Adopted Date: October 18, 2017

I. BY THE COMMISSION

A. Statement

1. This Decision opens an administrative proceeding as a repository for presentations and other materials relating to the High Cost Support Mechanism (HCSM) and the funding to telecommunications providers for the provision of basic voice service.

2. A Commissioners' Information Meeting (CIM) is scheduled for November 9, 2017, starting at 10:00 a.m. Staff is directed to work with interested stakeholders to finalize an agenda for the CIM.

B. Discussion

3. In recent years, significant legislation reforming Article 15 of Title 40 addressed telecommunications services (Telecom Reform Legislation).¹ Among its revisions, the Telecom Legislative Reform established two primary purposes of the HCSM: (a) to provide financial assistance for basic service in rural, high cost geographic support areas;² and (b) to provide

¹ The bills include: House Bill (HB) 14-1327, HB14-1328, HB14-1329, HB14-1330, and HB14-1331. Subsequent revisions were made in § 40-15-509.5 through Senate Bill 17-306.

² §40-15-208(2)(a)(I)(A), C.R.S.

access to broadband service through broadband networks in unserved areas.³ The 2014 Telecom Reform Legislation precludes the Commission from providing HCSM support to providers for basic voice service in areas found to have effective competition.⁴

4. Section 40-15-509.5(3), C.R.S., states that the Commission may allocate HCSM funds⁵ for the deployment of broadband service in unserved areas of the state only from moneys that it determines are no longer required by the HCSM to support universal basic service through an effective competition determination made pursuant to § 40-15-207(b), C.R.S.

5. From 2014 through 2017, through multiple proceedings, the Commission has declared 104 wire centers to be effectively competitive and allocated over \$12 million in funding for the deployment of broadband services.

6. In consolidated Proceeding Nos. 15M-0158T and 14M-0947T, the Commission made findings of effective competition, in addition to establishing HCSM support amounts to be paid to specific providers of basic voice service in high cost areas for the calendar years 2015, 2016, 2017, and 2018. Although there is pending litigation challenging some aspects of the Commission's determinations,⁶ there are no pending matters currently before the Commission regarding the HCSM generally.

7. Given current determinations, it is likely the Commission will need to consider what HCSM funding structure for basic voice service may be appropriate and necessary going

³ §40-15-208(2)(a)(I)(B), C.R.S.

⁴ §40-15-502(5), C.R.S. (stating HCSM is to assist in the provision of basic service in high-cost areas "without effective competition for basic service, applying the factors listed in section 40-15-207.").

⁵ Funds allocated by the Commission for deployment of broadband service in unserved areas of the state are disbursed for grant awards as directed by the Broadband Deployment Board created in §40-15-509.5(5) and pursuant to the process specified in §40-15-509.5(3).

⁶ See, Viaero's Petition for Writ of Certiorari and Judicial Review of Agency Action, Case No. 2016CV30023, filed March 30, 2016.

forward after December 31, 2018. Without currently pending matters before the Commission, we find it appropriate to hold a CIM.

8. We open this proceeding as a repository for informational materials and presentations relating to the HCSM and funding of basic voice service in high cost areas. A CIM is scheduled for November 9, 2017, starting at 10:00 a.m. Presentations for the CIM shall be filed within this proceeding, along with related materials.

9. Staff of the Public Utilities Commission (Staff) shall provide a presentation at the CIM that shall include, but is not limited to, an overview of the HCSM. Staff is directed to work with stakeholders to finalize the agenda for the November 9, 2017, CIM. We anticipate Staff will invite representatives from the Office of Information Technology and the Department of Regulatory Agencies that may provide brief presentations on broadband deployment and grant efforts. Staff may also seek engagement of consumer groups that may have an interest in the HCSM, in addition to industry representatives that either receive or contribute to the HCSM.

10. After conferring with stakeholders and potential presenters for the November 9, 2017, CIM, Staff shall file the updated agenda within this proceeding.

II. ORDER

A. It Is Ordered That:

1. This proceeding is opened as a repository for informational materials and presentations relating to the High Cost Support Mechanism and funding of basic voice service, consistent with the discussion above.

2. A Commissioners' Information Meeting is scheduled for the following:

DATE: November 9, 2017

TIME: 10:00 a.m. until concluded, but not later than 4:30 p.m.

PLACE Commission Hearing Room
 1560 Broadway, Suite 250
 Denver, Colorado

3. Staff is directed to work with stakeholders, including but not limited to industry stakeholders and consumer groups, to finalize an agenda for presentations at the November 9, 2017, Commissioner Information Meeting, consistent with the discussion above.

4. Staff shall file an agenda for the November 9, 2017, Commissioners' Information Meeting within this proceeding, consistent with the discussion above.

5. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
 October 18, 2017.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

FRANCES A. KONCILJA

WENDY M. MOSER

Commissioners