
STAFF MEMORANDUM

TO: COMMISSIONERS AND ADVISORS
FROM: LORENA REICHERT AND AMANDA REISS
RE: DOCKET TC16-018 – IN THE MATTER OF THE REQUEST OF NORTHERN VALLEY COMMUNICATIONS, L.L.C. STUDY AREA: 399017 AND 396340 FOR CERTIFICATION REGARDING ITS USE OF FEDERAL UNIVERSAL SERVICE SUPPORT
DATE: OCTOBER 5, 2016

Commission Staff (Staff) submits this Memorandum regarding its recommendations for the above captioned matter.

BACKGROUND

On June 28, 2016, the Commission received a petition from Northern Valley Communications, L.L.C. (Northern Valley) requesting the Commission provide certification to the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC) regarding its Use of Federal Universal Service Support. The filing included all required information for Study Area Code (SAC) 399017, Northern Valley responded to Staff's data requests regarding SAC 399017 on August 10, 2016, and the Commission considered the matter at the August 30, 2016 Commission meeting and voted to grant Certification for Northern Valley for SAC 399017. On September 22, 2016, the Commission sent a letter to the FCC and USAC certifying Northern Valley's SAC 399017, meeting the October 1, 2016 deadline.

On Friday, September 30, 2016, USAC contacted Staff regarding Northern Valley's SAC 396340 and advised that the certification would not meet the deadline if the state's annual certification is filed after October 3, 2016. 47 C.F.R. 54.314 provides guidance regarding certifications that do not meet the filing deadlines with a graduated reduction in support based the number of days between the filing deadline and the certification. Staff consulted with Northern Valley at this time and was informed that Northern Valley had intended that SAC 396340 be considered for certification with the original petition. Northern Valley did include FCC Form 481 data for SAC 396340 with the original filing. However, Northern Valley did not include the additional filing data for SAC 396340 that is required by state statute in the original filing nor did Northern Valley report the Rural Broadband Experiments Fund (RBE) money for SAC 396340 in the expected high cost support receipts for the year 2017 in Exhibit B of the original filing.

On October 3, 2016, after discussing the matter with Staff, Northern Valley filed a letter in the docket requesting that the Commission reopen this docket to specifically approve Northern Valley's request for certification for SAC 396340, and amend its notice to USAC confirming the same. Northern Valley also filed supplemental data on October 3, 2016 to fulfill the statutory requirements regarding SAC 396340. This filing is to confirm that the company will use all 2017 funds only for the provision, maintenance, and

upgrading of facilities for which support is intended. There is no need to determine that 2015 funds were used properly, as no funds were disbursed to the SAC in 2015.

SAC 396340 is a new Rural Broadband Experiment SAC that includes specific census blocks within Northern Valley's territory as part of RBE high cost support. The RBE support for Northern Valley SAC 396340 was authorized on February 9, 2016 and Northern Valley began receiving disbursements January 2016. The awarded funds will be disbursed to Northern Valley over a ten year period.

STAFF RECOMMENDATION

Staff has reviewed Northern Valley's supplemental filing dated October 3, 2016. Northern Valley responded to Staff's data requests regarding SAC 396340 on October 4, 2016. Staff recommends that the Commission provide a certification to the FCC and to USAC regarding the use of Federal Universal Service Support for Northern Valley's SAC 396340.