

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS)
RECEIVING FEDERAL UNIVERSAL) ADMINISTRATIVE
SERVICE HIGH-COST SUPPORT) CASE NO. 381

O R D E R

The Commission has entered Orders in this proceeding pursuant to the Federal Communications Commission's ("FCC") rules certifying that carriers¹ in Kentucky plan to use their "forward looking" high-cost support for authorized purposes.² 47 C.F.R. §§ 54.313 and 54.314 require states to ensure that carriers use federal high-cost support for provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of

¹ Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier within their jurisdiction receiving support pursuant to 47 C.F.R. § 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), § 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and § 54.314 (State Certification of Support for Rural Carriers).

² Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration ("Ninth Report and Order"), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313.

1996.³ For 2000, only the use of “forward-looking” support was to be certified. Beginning with the federal support for 2001, certification by state commissions is required regardless of whether the support is “forward-looking” or “hold harmless.” On May 23, 2001, the FCC issued an order in CC Docket 96-45 and CC Docket 00-256 that changed the methodology by which rural carriers receive high-cost support. Also in that order, the FCC required the states to certify that the high-cost support received by rural carriers is consistent with 47 U.S.C. § 254(e).⁴ Certification must occur by October 1 prior to the year for which support is rendered.

All carriers eligible to receive support have certified to the Commission that the use of federal universal service support will be used in accordance with 47 U.S.C. § 254(e). All carriers propose to use their universal service support to upgrade facilities to ensure that rural services are reasonably comparable to urban services and to maintain their current rates as allowed by the FCC.⁵ A schedule of support that each carrier is projected to receive is attached as an Appendix to this Order.

The Commission hereby certifies that all federal high-cost support provided to rural and non-rural carriers in this state will be used only for the provision, maintenance,

³ Ninth Report and Order at paragraphs 93-110.

⁴ In the Matter of Federal-State Joint Board on Universal Service Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256; FCC 01- 157, released May 23, 2001. See generally paragraphs 185-193.

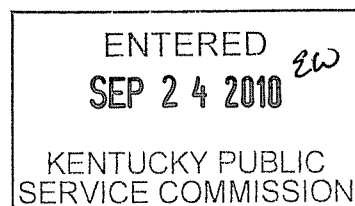
⁵ Ninth Report and Order at paragraph 106.

and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act of 1934, as amended. This includes High-Cost Loop Support, Local Switching Support, High-Cost Model Support, and high-cost support received pursuant to the purchase of exchanges.

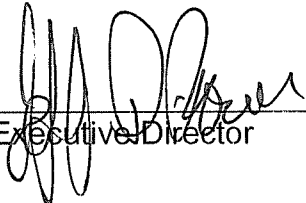
IT IS THEREFORE ORDERED that:

1. The proposals of all of the carriers are hereby certified as complying with the FCC's criteria and, accordingly, these utilities are eligible to receive federal Universal Service Fund support.
2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company to ensure that all carriers receive their 2011 federal high-cost support.
3. By September 1 of each calendar year, all carriers shall file their plans for the use of any high-cost federal support with the Commission.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 381 DATED **SEP 24 2010**

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