

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: REASNOR TELEPHONE COMPANY, LLC	DOCKET NO. 199 IAC 39.2
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**ORDER GRANTING PETITIONS TO INTERVENE AND
DESIGNATING ELIGIBLE CARRIER**

(Issued April 27, 2007)

On March 21, 2007, Reasnor Telephone Company, LLC (Reasnor), filed with the Utilities Board (Board) an application for universal service eligible carrier status in certain Iowa exchanges. On March 27, 2007, Reasnor filed an amendment to its application. In its amended application, Reasnor asks that the Board designate it as an eligible telecommunications carrier (ETC) pursuant to 199 IAC 39.2 in the identified exchanges attached to this order. No objections have been filed regarding this application, although an intervention has been filed, as described below.

Board rule 39.2 provides a means by which the Board can designate Iowa telecommunications companies to be eligible to receive funding from the universal service fund, as defined by the Telecommunications Act of 1996, 47 U.S.C. § 254. Under the Act (and the Federal Communications Commission (FCC) regulations implementing the Act), the Board must determine that a carrier meets certain service requirements before it may be designated an eligible carrier as set forth in subrule 39.2(4). The carrier must:

- 1) Offer the services supported by the federal universal service fund;
- 2) Offer the services using its own facilities or a combination of its own facilities and resale (47 C.F.R. § 54.201(c) provides that "own facilities" includes purchased unbundled network elements);
- 3) Advertise the availability of the supported services; and
- 4) Offer the services throughout the designated service area.

In its amended request for designation, Reasnor states that it satisfies each of these requirements. Based on that representation and the supporting information filed by Reasnor, the Board finds that Reasnor offers the services supported by the federal universal service fund, using its own facilities or a combination of its own facilities and resale of the facilities of another carrier. The Board also finds that Reasnor advertises and offers the services throughout its designated service area.

As part of its amended application, Reasnor requests that the Board designate it as an ETC in the Reasnor, Iowa, exchange, retroactive to September 2, 2004, the date of the Board's approval of its acquisition of the Reasnor exchange from Sully Telephone Association, Inc. (Sully), in Docket No. SPU-04-21.¹ In support of this request, Reasnor states that at the time it sought Board approval for the acquisition of the Reasnor exchange, Reasnor was told by the FCC that it would not be required

¹ In re: Sully Telephone Association, Inc., and Reasnor Telephone Company, LLC, "Order Approving Joint Application for Discontinuance of Service, Amending Certificate, Granting Partial Transfer of Certificate, Approving Tariff, and Granting Waiver," Docket No. SPU-04-21, issued Sept. 2, 2004.

to request ETC designation because Sully was already designated an ETC and that Sully's ETC status would automatically transfer from Sully to Reasnor as part of the acquisition process. Reasnor states that it appears the FCC's advice at the time of the acquisition may not have been correct and, therefore, Reasnor is seeking a retroactive designation.

The Board has reviewed Reasnor's application and request and finds it reasonable to conclude that the Board would have designated Reasnor as an ETC at the time of the acquisition, had Reasnor requested such a designation at that time. As such, the Board is willing to give retroactive effect to Reasnor's ETC designation. The Board notes, however, that such a retroactive designation is binding only before the Board and may not have any force or effect on the decisions of other regulatory entities.

On April 10, 2007, Qwest Corporation (Qwest) filed with the Board a petition to intervene pursuant to 199 IAC 7.13(3). In support of its petition, Qwest states that it has an interest in the subject matter of the proceeding because Qwest has financial and operational interests in the Reasnor exchange. Qwest also states that its interests will only be protected by granting its petition to intervene. While Qwest describes various possible public interest issues presented in this matter, Qwest does not request docketing or object to Reasnor's application. Instead, Qwest suggests the Board should inquire into matters such as Reasnor's other revenue sources, including the access charge revenues that Qwest has challenged in Docket No. FCU-07-2, Qwest Corp v. Superior Telephone, et al.

On April 16, 2007, Reasnor filed an objection to Qwest's petition to intervene. In support of its objection, Reasnor states that Qwest provides no legitimate reasons to intervene in this matter. Reasnor also suggests that Qwest's petition to intervene is designed to delay the processing of Reasnor's application for ETC designation.

On April 25, 2007, AT&T Communications of the Midwest, Inc. (AT&T), filed with the Board a petition to intervene pursuant to 199 IAC 7.13(3). In support of its petition, AT&T states that it has a substantial interest in the outcome of this proceeding, no other party can adequately address AT&T's interests, and there are no other means by which AT&T's interests can be protected. Like Qwest, AT&T describes various possible public interest issues presented in this matter. However, AT&T does not request docketing Reasnor's application. Instead, AT&T suggests the Board should inquire into the access charge revenues that Qwest has challenged in Docket No. FCU-07-2.

The Board will grant Qwest's and AT&T's petitions to intervene pursuant to 199 IAC 7.13. The Board finds that as a local exchange carrier in Iowa, Qwest and AT&T have demonstrated direct and unique interests in these proceedings that should be represented. However, the questions Qwest and AT&T have raised relating to Reasnor's access charge revenues are best addressed in Docket No. FCU-07-2, and neither Qwest's nor AT&T's petition offer other relevant grounds for docketing this application. In the absence of such grounds, the Board finds no reason to delay action on Reasnor's application for ETC status.

IT IS THEREFORE ORDERED:

1. Eligible telecommunications carrier status is granted to Reasnor Telephone Company, LLC, as requested on March 21, 2007, and amended on March 27, 2007. The designated service area shall be the identified Iowa exchanges attached to this order.
2. The designation shall be retroactive, for Board purposes, to September 2, 2004.
3. The Executive Secretary of the Utilities Board shall mail copies of this order to Reasnor Telephone Company, LLC, the Universal Service Administration Company, the Federal Communications Commission Universal Service Branch, and the Federal Communications Commission Office of the Secretary.
4. The petition to intervene filed by Qwest Corporation on April 10, 2007, is granted.
5. The petition to intervene filed by AT&T Communications of the Midwest, Inc., on April 25, 2007, is granted.

UTILITIES BOARD

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

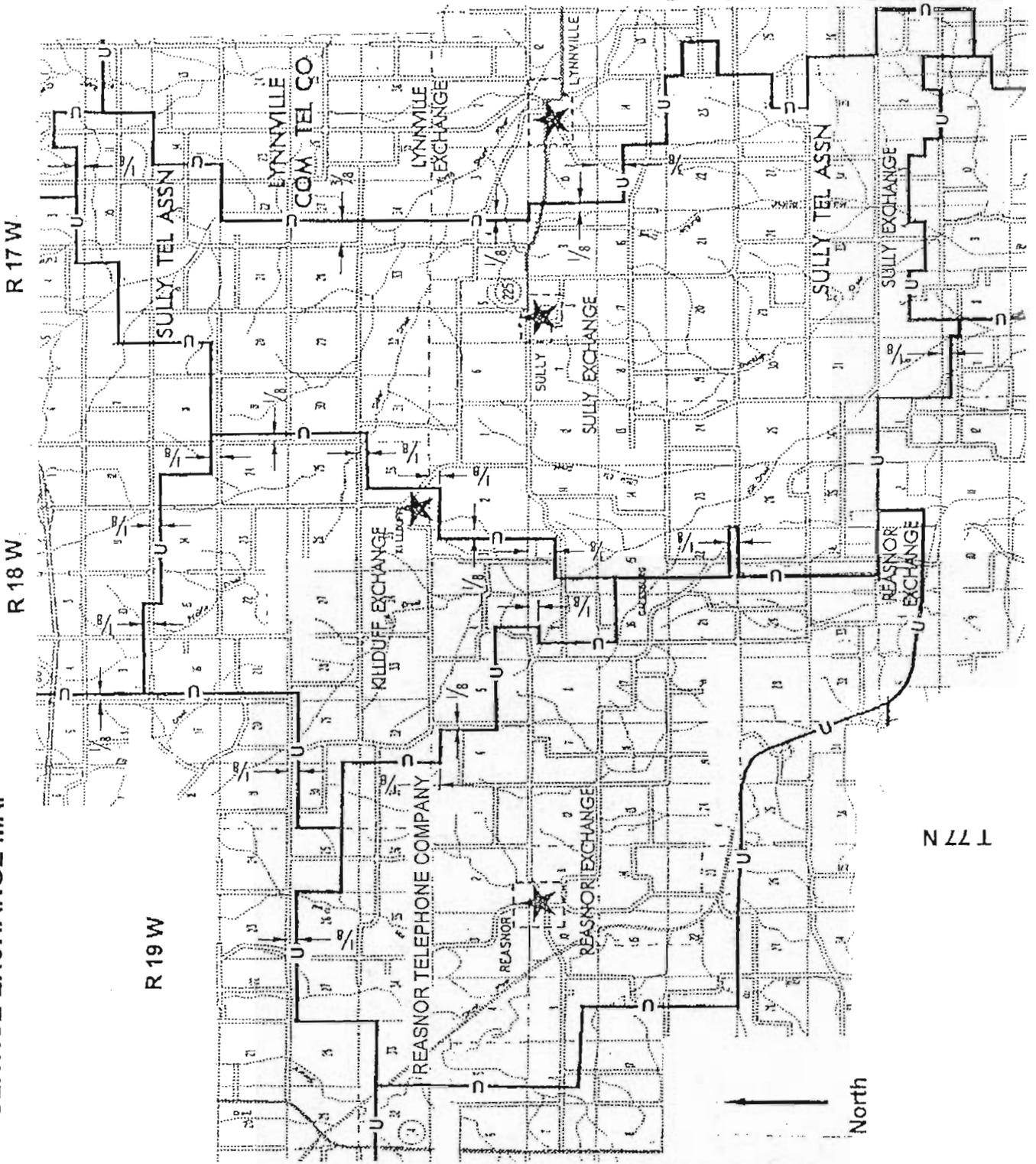
/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 27th day of April, 2007.

EXHIBIT A

Map of Reasnor Telephone's Service Area

REASNOR TELEPHONE COMPANY
SERVICE EXCHANGE MAP



T 79 N

T 78 N

T 77 N

North