



July 18, 2024

Electronically Filed in TPUC Docket
Room on July 18, 2024 at 3:03 p.m.

Mr. David Foster
Chief, Telecommunications
Tennessee Public Utilities Commission
502 Deaderick St.
Nashville, TN 37243-0505

24-00040

**RE: TRA Certification of Eligibility to Receive High Cost Support
Pursuant to 47 C.F.R. §54.314**

Dear Mr. Foster:

In conjunction with the Tennessee Regulatory Authority (the "Commission") annual certification requirements, please find attached the certification of Peoples Telephone Company dba TEC (the "Company") that the Company is eligible to continue to receive support from the Connect America Fund ("CAF"). If any additional information is required, please contact me at (601) 354-9070.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JPiro", is written over a light blue circular graphic that is part of the letterhead design.

Joseph Piro
Chief Financial Officer

Enclosure (1)



CERTIFICATION

Peoples Telephone Company (the "Company") hereby certifies that it has used the federal high-cost support in the preceding calendar year and will use the funds for the upcoming calendar year for the provision, maintenance and upgrading of facilities and service for which such support is intended.

The Company hereby certifies that it has submitted via annual NECA filings, expenditures in support of its universal service filing. USF disbursements received by the Company and other rural incumbent local exchange companies that require state commission certification are divided into **three categories**: High Cost Loop Support ("HCLS"); Safety Net Additive Support ("SNAS"), and the Connect America Fund ("CAF"). The FCC in conjunction with the Federal-State Joint Board on Universal Service has created each of the above mechanisms. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

The Company elected to receive Alternative Connect America Cost Model ("A-CAM") funding beginning in January 2017. This funding was made available by the FCC by WC Docket No. 10-90, Connect America Fund to further the goal of providing robust broadband access throughout the nation. The model support must be elected by state and therefore is distributed to both the Company and its Tennessee affiliates West Tennessee Telephone Company, Inc. and Crockett Telephone Company, Inc. evenly by month over a 10-year period. The total for the three Tennessee ILECs amounts to \$1.69 million annually. In May of 2018, the FCC extended a second offer for ACAM participants to fully fund the ACAM model which increased the total 10-year funding to \$2.11 million annually with a true up payable in 2018. In March of 2019, the FCC extended a third offer for ACAM participants to fully fund the ACAM model which increased the total 10-year funding to \$2.16 million annually with a true up payable in 2019. Electing to receive the A-CAM funding requires that the Company build out cable plant to rural areas to provide a certain level of broadband internet within the funded locations. The Company will still be required to meet the previous buildout obligation for 10/1 Mbps service but accepting the third ACAM offer changed the buildout obligation for 25/3 service. In 2024, the Company must be able to provide 25/3 Mbps service to at least 60% of the requisite number of eligible locations by end of the 2024, 70% by the end of 2025, 80% by the end of 2026, 90% by the end of 2027, and 100% by the end of 2028.

Peoples Telephone Company is participating in the Rural Digital Opportunity Fund ("RDOF"), currently the company has completed the Long Form requirements to the FCC. The company receives \$9,899.91 in annual funding to build fiber to 3 block groups in Benton County and Henry County in Tennessee. The company received \$9,899.91 in 2023.

CAF support in 2023 was \$295,842. The Company further certifies that it will only use the remaining CAF ICC Support it receives during 2023-2024 for the continued provision, maintenance and upgrading of facilities and service for which such support is intended as described in 47 C.F.R. § 54.101. Those services, which are available to any customer in the Company's service area are: single-party voice grade access to the public switched network, unlimited local usage, dual-tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service, and access to directory assistance, and toll limitation for qualifying low-income customers.

All of these programs are administered through USAC, a private, not-for-profit corporation. USAC assists NECA in data collection necessary for the remittance of universal service funds. This means each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process necessary for the remittance of universal service funds.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

On March 1, 2019 Peoples Telephone Company exited the NECA Traffic Sensitive Pool effective July 2, 2019. The Company has become an issuing carrier under the John Staurulakis, Inc. (JSI) Tariff. The Company is required to establish traffic sensitive switched access rates in compliance with the FCC Part 51, Subpart J Transitional Access Pricing rules. As a result of this change all of the Company's interstate revenues will be transitioned to "bill & keep". Also, this change will give the Company greater pricing flexibility to respond to competitive pressures. These changes will allow the Company to be competitive in the market but the Universal Service Administrative Co. ("USAC") ensures that the tariff changes do not affect high cost support obligations. To ensure the highest level of program integrity USAC conducts audits of beneficiaries of USF disbursements. USAC operates the Beneficiary and Contributor Audit Program ("BCAP") and Payment Quality Assurance Program ("PQA").

All cost studies submitted by rural ILECs and all USF funding received by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of USF data collection as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify to the accuracy and validity of the filed information.

Any questions regarding this submission or the underlying documentation previously submitted to the Commission should be directed to Joseph Piro at (601) 354-9070.

Respectfully Submitted,

PEOPLES TELEPHONE COMPANY

By: 

Joseph Piro

As Its: Chief Financial Officer

Date: July 18, 2024