

STATE OF GEORGIA
BEFORE THE PUBLIC SERVICE COMMISSION

In Re:)	
)	
Generic Proceeding to Implement House)	Docket No. 32235
Bill 168;)	

**BRIEF OF GTBA—GEORGIA’S RURAL TELEPHONE AND BROADBAND
ASSOCIATION**

Georgia Telephone Association d/b/a GTBA-Georgia’s Rural Telephone and Broadband Association (“GTBA”), by and through the undersigned counsel and pursuant to the August 1, 2023 “Procedural and Scheduling Order on Universal Access Fund Contribution Methodology,” files this brief on the three issues noticed in the above captioned proceeding.

GTBA was established in 1919 as a not-for-profit trade association issuing membership to the rural ILEC providers of telephone services throughout the State of Georgia. With over a century-long span of providing telecommunication services in rural areas, the GTBA member companies have become leaders in rural voice and broadband services.¹ A significant distinction of the GTBA is that most of its members live, work, and interact with the people they serve within their rural communities. The owners, board, management, and employees strive to serve the communities they call home. The GTBA members have put time, money, and effort into serving

¹ The following companies are GTBA members: Alma Telephone Company, Brantley Telephone Company, Bulloch County Rural Telephone Cooperative, Chickamauga Telephone Corporation, Citizens Telephone Company, ComSouth Communications-Hargray, Darien Telephone Company, Ellijay Telephone Company, Glenwood Telephone Company, GTC-Consolidated Communications, Hart Telephone Company, Knology of the Valley dba Wow, Pembroke Telephone Company, Pineland Telephone Cooperative, Plant Telephone Company, Planters Rural Telephone Cooperative, Progressive Rural Telephone Cooperative, Public Service Telephone, TDS Telecom-Blue Ridge, TDS Telecom-Camden, TDS Telecom-Nelson-Ball Ground, Trenton Telephone Company, Waverly Hall Telephone Company, and Wilkes Telephone Company d/b/a Relyant.

the customers in their service areas with the highest quality networks capable of providing voice and advanced telecommunications services (including broadband). GTBA member companies have installed thousands of miles of network infrastructure to serve their customers. With continued Georgia Universal Access Fund (“UAF”) support, they can build, operate, and maintain their networks to the ultimate benefit of Georgia residents and businesses that depend on GTBA members’ networks and the services they offer.

1. Background

At issue in this proceeding is the determination of proper and equitable contributions to the Georgia Universal Access Fund. BellSouth Telecommunications, LLC d/b/a AT&T Georgia (“AT&T”) notified the Commission about its review of affiliate transaction revenue and proposed a new approach to calculate its contribution base used for UAF assessments going forward. Upon Commission review of this notice and its impact on the UAF contribution factor, it approved an increase in the UAF contribution factor. Meanwhile, the Commission Staff’s review of AT&T’s proposal led it to question whether affiliate revenue can or should be excluded from the UAF contribution base. Upon Staff’s recommendation, the Commission issued a procedural and scheduling order for parties to present argument for or against AT&T’s exclusion of affiliate revenues from the UAF contribution base.

GTBA is interested in the continued use of the UAF as the support GTBA members receive from the UAF enable the deployment, operation, and maintenance/repair of dynamic electronic networks in rural Georgia. GTBA submits that ensuring health of the UAF involves adequate supervision of the contribution base used to generate the revenues used for UAF distribution.

2. Argument

a. Issue Number 1: Does Georgia law permit a contributor to the Universal Access Fund to exclude revenues from affiliates for purposes of calculating contributions to the Universal Access Fund?

The removal of affiliate revenues from the UAF assessment or contribution base may occur when such revenues are not received for the provision of intrastate telecommunications services to end-user customers. Commission Rule 515-12-1-.39(1) addresses the operation of quarterly contributions to the UAF. This rule invokes two conditions for including gross intrastate revenues as part of a company's UAF contribution base. First, companies required to contribute must hold a certificate of authority issued by the Commission to provide services within Georgia. Second, the gross intrastate revenues subject to the assessment must come from the provision of telecommunications services to end users. If either of these two conditions is not met, then certain revenue exclusions may be appropriate.

GTBA observes instances where under current rules the exclusion of revenues would be proper. Consider the case where an affiliate provides non-telecommunications services to its end-user customers.² These end-user revenues are removed because the service provided to the end-user is a non-telecommunications service. The revenues for this service are non-telecommunications end-user revenues for purposes of UAF contribution.

The Commission rule requires a certificated telecommunications company to contribute based on the end-user revenues it receives. In some cases, GTBA observes, a certificated company that does not have end-user revenues would not be required to contribute, even though it provides a telecommunications service. GTBA is not aware of the Commission requiring contributions for

² As discussed in section 1.3, *infra*, the term "End user" is defined as "means any person, corporation, partnership, firm, municipality, cooperative, organization, governmental agency, building owner, or other entity provided with a telecommunications service for its own consumption and not for resale" O.C.G.A. § 46-5-210(a)(2).

revenues for wholesale telecommunications services that are provided in the provision of an end-user service. Normally this issue does not present a problem since the wholesale telecommunications portion of a telecommunications service would be reflected in the end-user revenues and assessable by the company offering the end-user telecommunications service. The current rule does not address the case where a certificated telecommunications company provides a wholesale telecommunications service to an affiliate who in turn uses this service to offer to end-user customers a non-telecommunications service.

b. Issue Number 2: Should affiliate transactions be excluded from intrastate revenues on which UAF contributions are calculated? If so, what constitutes an affiliate transaction for purposes of inclusion in or exclusion from the intrastate revenues?

There are two scenarios for the Commission to consider when addressing the wholesale transactions between parents and affiliates: the case when the wholesale service is used to provide an end-user telecommunications service; and the case when the wholesale service is used to provide an end-user non-telecommunications service.

There is good reason to remove wholesale revenue from the UAF assessment when the end-user service is a telecommunications service. The affiliate that has the retail relationship with the end-user customer includes end-user revenues in its contribution base used for the UAF assessment. Including wholesale affiliate revenues in the contribution base in this situation may lead to possible double counting of the wholesale revenue: first at the wholesale service point, and second at the end-user service point.

When the wholesale service is used to provide an end-user non-telecommunications service, the wholesale revenue, or its imputed value, is removed because the end-user is not purchasing a telecommunications service and because the telecommunications revenues are not end-user revenues.

c. Issue Number 3: What is the meaning of an “end user” within O.C.G.A. § 46-5-167(b)(2)?

Georgia law defines the term “end user.” Specifically, this term “means any person, corporation, partnership, firm, municipality, cooperative, organization, governmental agency, building owner, or other entity provided with a telecommunications service for its own consumption and not for resale” O.C.G.A. § 46-5-210(a)(2). This definition clearly expresses the meaning of the term for purposes of UAF assessments.

GTBA thanks the Commission for the opportunity to present this brief in this proceeding.

Respectfully submitted, this 5th day of September, 2023.

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CERTIFICATE OF SERVICE

I certify that the foregoing **Brief of GTBA—Georgia’s Rural Telephone and Broadband Association** in Docket No. 32235 was filed with the Public Service Commission by electronic and hand delivery on this date. An electronic copy of the same was served upon all parties listed below by electronic mail as follows:

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