



April 4, 2019

Connect America Fund
Federal Communications Commission
445 12th St SW
Washington, D.C. 20554
ConnectAmerica@fcc.gov

Dear Connect America Fund:

Regarding Application No. 75844, please note that Valstar, Inc. (d/b/a GTel) has been designated as an Eligible Telecommunications Carrier (ETC) for the purpose of receiving federal universal service support for both low-income and high-cost by the Public Service Commission of the State of New York pursuant to Case 18-C-0319 effective September 13, 2018, for the Census Blocks in the attached table. The PSC Order is also attached.

Please contact me at 518-537-1122 or at frank.boscarillo@gtelcorp.com if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Frank G. Boscarillo".

Frank G. Boscarillo
General Manager

ATTACHMENTS

cc. Dangkhua Nguyen

Project ID	Census Block ID	*Total # Units in CB
75844	360210009002004	1
75844	360210009002065	1
75844	360210010001000	2
75844	360210010001033	4
75844	360210010001035	1
75844	360210010001043	7
75844	360210010001044	13
75844	360210010001045	2
75844	360210010001052	4
75844	360210010001057	1
75844	360210010001058	3
75844	360210010002052	2
75844	360210010002071	1
75844	360210010002072	1
75844	360210010002073	4
75844	360210010002074	1
75844	360210010004078	20
75844	360210011002026	1
75844	360210011002078	1
75844	360210014001025	3
75844	360210014001029	3
75844	360210014001031	1
75844	360210014001034	3
75844	360210014001039	2
75844	360210014001057	2
75844	360210014001085	3
75844	360210014001096	7
75844	360210014001107	4
75844	360210014001114	15
75844	360210015001024	8
75844	360210015001028	2
75844	360210015001035	6
75844	360210015001036	8
75844	360210015001037	3
75844	360210015001039	8
75844	360210015001049	1
75844	360210015001064	8
75844	360210015001068	1
75844	360210015001077	3
75844	360210015001085	11
75844	360210015001088	8
75844	360210015001090	7
75844	360210015001091	1
75844	360210015002018	2
75844	360210015002020	1
75844	360210015002030	2
75844	360210015002034	6
75844	360210015002042	11
75844	360210015002043	1
75844	360210015002049	2
75844	360210015002059	5
75844	360210015002060	2
75844	360210015002065	9
75844	360210015002069	5
75844	360210018001004	2
75844	360210018001005	13
75844	360210018001030	2
75844	360210018001035	2
75844	360210018001090	2
75844	360210018002011	5

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on September 12, 2018

COMMISSIONERS PRESENT:

John B. Rhodes, Chair
Gregg C. Sayre
Diane X. Burman
James S. Alesi

CASE 18-C-0319 - Petition of Valstar, Inc. d/b/a GTel for
Designation as an Eligible Telecommunications
Carrier.

ORDER APPROVING DESIGNATION
AS ELIGIBLE TELECOMMUNICATIONS CARRIER

(Issued and Effective September 13, 2018)

BY THE COMMISSION:

INTRODUCTION

By petition dated May 21, 2018, pursuant to Section 214 of 47 U.S.C., Valstar, Inc. d/b/a GTel (Valstar or the Company) seeks Commission designation as an eligible telecommunications carrier (ETC) in order to participate in federal universal service low-income and high cost support programs.

An Order was issued in this proceeding on August 10, 2018. That Order granted the company's request for low-income (Lifeline) ETC designation, but failed to additionally grant the company "high-cost" ETC designation. By this Order, the Commission finds that Valstar meets the requisite criteria for both low-income and high cost ETC designation and that such designation is in the public interest.

BACKGROUND AND LEGAL AUTHORITY

Section 214 of 47 U.S.C. requires state commissions to designate ETCs for the purpose of determining universal service obligations and eligibility to receive federal universal service funding from: 1) the low-income (Lifeline) program, which allows ETCs to receive support for providing discounted voice and broadband service to eligible customers; and 2) the high cost program, which allows ETCs to receive support for providing service in rural/remote high cost areas. Section 214 also requires state commissions to define the service area of the carriers and, when appropriate, to grant waivers of certain requirements. In cases in which an ETC applicant petitions for designation in a rural service area already served by an ETC, the state commission is required to find that such designation is in the public interest.

The Commission originally issued a Certificate of Public Convenience and Necessity (CPCN) to Valstar on July 5, 2000 in Case 99-C-0638, to operate as a reseller of telecommunications services. An amended CPCN to operate as a facilities-based local exchange carrier and a reseller of all forms of intrastate telephone service, including local exchange service, was approved by the Commission on June 19, 2001.

Connect America Fund

The federal Connect America Fund (CAF) was created in 2011 as part of the FCC's modernization of the high-cost program within the federal universal service fund, to focus support on networks capable of providing voice and broadband services.¹ One component of CAF, known as Phase II CAF support, offers certain

¹ *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order and/or FNPRM*) aff'd sub nom., In re: FCC 11-161, 753 F.3d 1015 (10th Cir. 2014).

carriers high-cost universal support in exchange for offering voice and broadband services in eligible high-cost census blocks. In January 2017,² the FCC issued an order conditionally allowing the allocation of Phase II CAF support in CAF II-eligible areas in New York in coordination with New York's New NY Broadband Program.³

PETITION

As a grantee of a New NY Broadband Program award, Valstar requests ETC designation throughout the CAF II census blocks that it was awarded to provide broadband service in Columbia County, New York. The Company states that it is not requesting designation in any rural areas as defined in 47 CFR §54.201(c), and that it will offer the services that are supported by federal universal service support mechanisms by using its own facilities. Valstar explains that it satisfies each of the federal statutory and regulatory requirements for ETC designation. Specifically, the Company states that it provides the following supported services that are required to be provided by ETCs pursuant to 47 C.F.R. §54.101(a):

² Connect America Fund; ETC Annual Reports and Certifications, Order, FCC 17-2 (Issued Jan. 26, 2017). Specifically, the FCC concluded that funding up to the \$170.4 million of Connect America Phase II support that Verizon New York Inc. declined in New York would be available to applicants selected in New York's New NY Broadband Program.

³ In 2015, the State established the \$500 million New NY Broadband Program (the Program). The Program provides State grant funding through a "reverse auction" method to support projects that deliver high-speed Internet access to Unserved and Underserved areas of New York State at speeds of 100 Megabits-per-second (Mbps) in most areas, and 25 Mbps in the most remote areas. For more information, see <https://nysbroadband.ny.gov/>.

- a) Voice grade access to the public switched network;
- b) Local usage;
- c) Access to emergency services, including access to 911 or E911;
- d) Lifeline and free toll limitation services for qualifying low-income customers; and,
- e) Voice telephony service.

As a New NY Broadband Program awardee, Valstar represents that it is financially and technically capable of providing the supported services. It asserts that it will satisfy the ETC requirements adopted by this Commission and the FCC, including:

- a) Provide Service Throughout Designated Service Area - Valstar certifies that it will provide supported services on a timely basis to requesting customers within the Company's designated service area where the Company's network already passes the potential customer's premises, or outside its existing network coverage if the service can be provided at a reasonable cost. It will advertise the availability and charges for such services in media of general distribution as required by §214(e)(1)(B).
- b) Ability to Remain Functional in an Emergency - Valstar states that it maintains a reasonable amount of back-up power to ensure the functionality of its service without an external power source; has redundancy in its network for use in re-routing traffic when facilities are damaged; and is capable of managing traffic spikes resulting from emergency situations. The Company also states that it has a Disaster Recovery Plan in place.
- c) Satisfaction of Applicable Consumer Protection and Service Quality Standards - Valstar states that it will comply with all applicable state and federal

consumer protection and service quality standards, including Commission procedures for resolution of complaints.

- d) Lifeline Certification and Verification - Consistent with 47 C.F.R §54.409, the Company will certify that the consumer receives benefits under an approved assistance program or that the consumer's household meets applicable income requirements; and that the consumer will notify the Company if he/she ceases participation in a program or his/her income exceeds approved thresholds. The Company states that it will obtain this certification annually and shall ensure that only eligible consumers are participating in Lifeline.

DISCUSSION AND CONCLUSION

Valstar seeks Commission designation as an ETC in order to receive both low-income and high cost federal support. The Commission finds that Valstar will provide the requisite telephone services and satisfies all the FCC's requirements for designation as an ETC for the purpose of receiving such federal universal service support, and granting an ETC designation to Valstar will serve the public interest. As an ETC, Valstar will provide another choice for discounted basic service to meet the needs of New York's Lifeline-eligible consumers. In addition, as Valstar will also offer broadband services, many Lifeline-eligible customers will have the opportunity to receive more advanced telecommunications services than those available from currently designated ETCs.

The Commission finds that designation of Valstar as an ETC is in the public interest, and therefore approves the Company's petition requesting designation as an ETC for purposes of participating in federal universal service low-income and high cost support programs.

The Commission orders:

1. The petition of Valstar, Inc. d/b/a GTel, for designation as an eligible telecommunications carrier for the purpose of receiving federal universal service support for both low-income and high cost, is approved.
2. The case is closed.

By the Commission,

(SIGNED)

KATHLEEN H. BURGESS
Secretary