

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	<b>Docket No. UT – 043011</b>
	)	
AT&T Wireless PCS of Cleveland, LLC;	)	
AT&T Wireless Services of Washington,	)	
LLC; Spokane Cellular Telephone	)	
Company; Yakima Cellular Telephone	)	
Company; Bremerton Cellular Telephone	)	<b>Comments of Verizon Northwest Inc.</b>
Company; Olympia Cellular Telephone	)	
Company, Inc.; Bellingham Cellular	)	
Partnership and Hood River Cellular	)	
Telephone Company, Inc.	)	
	)	
For Designation as an Eligible	)	
Telecommunications Carrier	)	
Under 47 U.S.C. § 214(e)(2)	)	

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Verizon Northwest Inc. (Verizon) urges the Commission to take no action in this matter until the FCC has addressed whether, and under what circumstances, multiple carriers are entitled to obtain ETC status and to receive universal service support.<sup>1</sup> This Commission should not attempt to pre-judge the FCC on these matters and thus risk having its decisions nullified or reversed. Moreover, there is no reason why this Commission must take action at this time, because the cellular provider seeking ETC status already provides service or is licensed to serve in the relevant areas.

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<sup>1</sup> See *Federal-State Joint Board on Universal Service Seeks Comments on Certain of the Commission’s Rules Relating to High-Cost Universal Service Support and ETC Designation Process*, Public Notice, CC Docket No. 96-45, 18 FCC Rcd 1941 (2003) (“*Federal-State Joint Board Proceeding*”); *Federal-State Joint Board on Universal Service*, Order, 17 FCC Rcd 22642 (2002).

The FCC, in its *Federal-State Joint Board Proceeding*, is reviewing the same issues present in this docket. Specifically, the FCC will be considering: whether and when is it in the public interest to grant federal ETC status for multiple carriers serving the same area; what criteria should be examined in making such a determination; and whether it is possible to fund multiple ETCs without endangering the funding source.<sup>2</sup> The FCC is examining these issues as they may also impact the FCC's *CALLS Order*, where the FCC capped universal service funding made available to ETCs, and where other sources of loop funding (*i.e.* usage-based federal access charges on long distance calling) have largely ended.<sup>3</sup> The *CALLS Order* constituted a major reform of access charges and universal service funding, replacing a complex system of implicit federal subsidies with explicit federal universal service funding. As a result, the *Federal-State Joint Board Proceeding* is examining not only how the public interest test for ETC designations should be conducted, but also whether the FCC should limit *CALLS* high-cost funding to a single ETC per customer.

Given these developments, the Commission should take no action on this ETC petition until the FCC renders a decision in the ETC proceeding. In this way, the Commission can ensure

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<sup>2</sup> On February 27, 2004, the Federal State Joint Board recommended several modifications to the ETC designation process. Generally, the Joint Board's Recommended Decision recommended that the FCC limit the scope of high-cost support to a single connection that provides access to the public telephone network (*i.e.*, a "primary line" approach.) The Recommended Decision also suggested seeking comment on restating the total high-cost support flowing to a rural carrier in terms of first connections and on other possible measures, and recommended that high-cost support in areas served by rural carriers be capped on a per-line basis where a competitive carrier is designated as an ETC, to be adjusted annually by an index factor. (*See* Recommended Decision concerning the process for designation of eligible telecommunications carriers (ETCs) and the FCC's rules regarding high-cost universal service support, FCC 04J-1, CC Docket No. 96-45, released February 27, 2004.)

<sup>3</sup> *See Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Low-Volume Long Distance Users, Federal-State Joint Board on Universal Service*, Sixth Report and Order, CC Docket Nos. 96-261 and 94-1, Report and Order in CC Docket No. 99-249, Eleventh Report and Order in CC Docket No. 96-45 at ¶¶ 1-3 & n.1 (2000) ("*CALLS Order*"), *aff'd in part, rev'd and remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC*, 265 F.3d 313 (5<sup>th</sup> Cir. 2001).

that any decision it makes is consistent with the public interest as established by the FCC.<sup>4</sup> The ETC applicant already serves or has a license to serve in the areas in question, and nothing indicates that its service will end or diminish if action in this matter is deferred.

Accordingly, the Commission should take no action on the petition until the pending *Federal-State Joint Board Proceeding* is complete.

Dated this 1<sup>st</sup> day of March, 2004.

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<sup>4</sup> The FCC recently adopted a new set of “public interest” criteria in a wireless ETC case, and it is likely this criteria (and other criterion) will be examined in the context of the *Federal-State Joint Board Proceeding*. ( See *Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia, Memorandum Opinion and Order*, CC Docket No. 96-45, FCC 03-338, released January 22, 2004, 2004 FCC LEXIS 320 (*Virginia Cellular*). At ¶4.)