

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	)	DOCKET UT-111325
)	
SPRINT NEXTEL CORPORATION,	)	ORDER 01
)	
	)	ORDER GRANTING
	)	APPLICATION FOR
For Relinquishment of Eligible	)	RELINQUISHMENT OF
Telecommunications Carrier (ETC)	)	ELIGIBLE
Designation	)	TELECOMMUNICATIONS
	)	CARRIER DESIGNATION
)	
	)	DOCKET UT-073023
)	
For a Temporary Exemption from	)	ORDER 03
WAC 480-123-030(1)(g) and WAC)	
480-123-070(6)	)	ORDER ACCEPTING REPORT
	)	ON THE STATUS OF
	)	COMPLIANCE WITH CELL SITE
	)	FOUR-HOUR BACK-UP POWER
	)	REQUIREMENT
.....)	

BACKGROUND

- 1 On July 21, 2011, Sprint Nextel Corporation (Sprint Nextel or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application requesting relinquishment of its Eligible Telecommunications Carrier (ETC) Designation in Washington, effective January 1, 2012.

- 2 On November 30, 2011, Sprint Nextel filed an amendment to its ETC relinquishment application. The amendment includes a revised list of designated exchanges where the Company seeks ETC relinquishment, a sample notification letter to Lifeline customers in Washington and a summary compliance status report with regard to the Company's cell site battery back-up power.

- 3 Sprint Nextel is a Commercial Mobile Radio Service provider licensed by the Federal Communications Commission (FCC). On October 29, 2003 in Docket UT-031558, the Commission designated Sprint Nextel as an ETC in certain areas served by two non-rural incumbent local exchange carriers (ILECs), Qwest Corporation and former Verizon Northwest Inc. The Commission designated Sprint Nextel as an ETC in certain areas

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served by rural ILECs on January 13, 2005, in Docket UT-043120. The Commission expanded the Company's designation to include Sprint Nextel's operating entities that provide service using Integrated Dispatch Enhanced Network technology on October 23, 2007 in Docket UT-073023. Appendix A lists the specific ILEC exchanges for which the Company seeks to relinquish designation.

- 4 On September 10, 2009, the Commission granted Sprint Nextel's petition for a temporary exemption from the four-hour back-up battery requirement under WAC 480-123-070(6) and WAC 480-123-030(1)(g) until December 31, 2011.¹ The Company filed a final compliance report on December 7, 2011, in Docket UT-073023.
- 5 During the Sprint Nextel and Clearwire Corporation merger proceeding before the FCC, Sprint Nextel committed to phase out its federal high cost support from the federal Universal Service Fund (USF) in five equal increments beginning in January 2009.² On September 3, 2010, the FCC released an order providing instructions for implementing that commitment.³ To meet the high cost support phase-out requirement for 2012, Sprint Nextel decided to relinquish its ETC designation in a number of states, including Washington.

DISCUSSION

- 6 Staff reviewed Sprint Nextel's request to relinquish its ETC designation in Washington and determined it meets the statutory requirements of 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205. 47 C.F.R. §54.205(a) provides that a state commission shall permit an ETC to relinquish its designation when the area is served by more than one ETC upon advance notice of the ETC; and that an ETC shall give advance notice to the state commission of such relinquishment. 47 C.F.R. §54.205(b) further provides that prior to permitting an ETC to cease providing universal service in an area served by more than

¹ *In the Matter of the Petition of Sprint Nextel Corporation for a Temporary Exemption from WAC 480-123-030(1)(g) and WAC 480-123-070(6)*, UTC Docket UT-073023, *Order 02* dated September 10, 2009.

² *Sprint Nextel Corp. and Clearwire Corporation, Applications For Consent to Transfer Control of Licenses, Leases, and Authorizations*, WT Docket No. 08-94, 23 FCC Rcd 17570 (2008).

³ *In the Matter of High-Cost Universal Service Support*, WC Docket No. 05-337, *Federal-State Joint Board on Universal Service, Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC*, CC Docket No. 96-45, *Order* released Sept. 3, 2010 (FCC 10-155).

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one ETC, when necessary, the state commission shall require the remaining ETC or ETCs to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC.

- 7 Sprint Nextel satisfied the requirements of 47 C.F.R. §54.205(a) by giving notice and submitting a request to relinquish ETC designation in advance of relinquishment. Staff verified that alternative ETCs exist in Sprint Nextel's ETC-designated areas in Washington. All incumbent landline telephone companies will remain the carrier of last resort in those areas. These wire centers will also continue to be served by other wireless ETCs with the exception of one wire center, Grayland. Approving Sprint Nextel's relinquishment of ETC designation will not compromise Washington consumers' access to basic telephone services with reliable service quality and affordable rates.
- 8 Upon the relinquishment of its ETC designation in Washington, Sprint Nextel will no longer receive federal high cost support in Washington. The Company will continue to operate in Washington as a non-ETC wireless service provider. All existing Sprint Nextel subscribers will be able to continue receiving wireless service from the Company or select other wireless carriers in their areas.
- 9 The Company addressed how it will deal with its Lifeline customers upon relinquishment. Currently, the Company has 68 low-income subscribers in Washington that receive federal Lifeline subsidies. Upon approval of its ETC relinquishment in Washington, Sprint Nextel will provide a written notice by U.S. Mail to each of its current Lifeline customers in Washington, informing them that Sprint Nextel will discontinue the federal Lifeline discounts on their monthly bills after 60 days following the issuance of the notice. These Lifeline customers can choose to continue to receive the same service from Sprint Nextel without the Lifeline discount, or select a different calling plan offered by Sprint Nextel. Alternatively, they can choose to obtain Lifeline service discounts from one of the remaining ETCs in their areas. If a Lifeline customer decides to disconnect from Sprint Nextel service, no early termination fee will be imposed. Sprint Nextel will not sign up any new Lifeline subscribers in Washington after December 31, 2011. It will stop collecting federal low income support in the state after December 31, 2011.

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- 10 In its application for relinquishment, the Company reported on the status of its compliance with the cell site power back-up requirement under WAC 480-123-070(6) and WAC 480-123-030(1)(g).⁴ The Company has brought numerous cell sites into compliance but has not been able to bring all non-compliant cell sites to the four-hour back-up power standard, as required by Commission rule and the Commission's temporary exemption order.
- 11 The Company explained that there are a number of mitigating factors in its cell site power back-up situation. Most of the non-compliant cell sites have a battery reserve that is very close to four hours. Most of them are Class 3 sites that are less crucial to the Company's key network operation. Most of the non-compliant cell sites will receive overlapping signal coverage from the adjacent cell sites in the event of a lengthy and large-scale commercial power outage, which alleviates the risk of partial network failure. In addition, the Company reported that upgrading the back-up power is cost prohibitive at these cell sites. It could cost approximately \$20,000 to install an additional battery string, in addition to the cost related to potential structural or leased space modifications. In some circumstances, it is impossible to increase the leased space to allow for placement of additional batteries. Considering the high cost of the battery back-up upgrade and the relatively few benefits from such an upgrade, the Company has instead invested in an extensive portable back-up power generator fleet that is poised for deployment in power failure emergencies.
- 12 The Company would have sought Commission approval for another extension of the existing temporary exemption from the four-hour power back-up requirement prior to December 31, 2011. However, the company's application for relinquishment of its ETC designation makes such a request moot.
- 13 Based on the above analysis, Staff recommends the Commission accept the Company's report on the status of compliance with the cell site back-up power requirement and grant the Company's application for relinquishment of ETC designation in Washington.

⁴ Sprint Nextel provided a summary report on the cell site battery back-up status in Confidential Exhibit B to the Amendment to the application for relinquishment. The Company also provided a detailed power back-up report on a wire center basis in Revised Confidential Attachment 8 on September 12, 2011 in Docket UT-111383 (Sprint Nextel 2011 ETC certifications and reports).

FINDINGS AND CONCLUSIONS

- 14 (1) The Commission has jurisdiction over the subject matter pursuant to 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205.
- 15 (2) Sprint Nextel Corporation is an Eligible Telecommunications Carrier so designated by the Commission in Dockets UT-031558, UT-043120 and UT-073023.
- 16 (3) The Commission finds that it is in the public interest to accept Sprint Nextel's report on its cell site power back-up compliance status, given the Company's application for relinquishment of its ETC designation.
- 17 (4) Sprint Nextel Corporation is permitted by law to relinquish its ETC status if it satisfies the requirements of 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205. The Company provided an advance notice of its intent to relinquish its ETC designation. The area for which Sprint Nextel Corporation seeks to relinquish its ETC status is served by more than one other Eligible Telecommunications Carrier.
- 18 (5) The Commission finds the company's request to relinquish its designation as an Eligible Telecommunications Carrier in the state of Washington is reasonable and should be granted. Within thirty (30) days from the effective date of this Order, Sprint Nextel Corporation will notify its Lifeline subscribers by U.S. mail of the discontinuance of the Lifeline discount and provide sixty (60) days for Lifeline subscribers to switch to a different calling plan offered by the Company or to an alternative Lifeline plan provider in the area.
- 19 (6) Sprint Nextel Corporation will notify the Universal Service Administrative Company that it is no longer eligible to receive federal Universal Service Fund disbursement in Washington, effective January 1, 2012.

O R D E R

THE COMMISSION ORDERS:

- 20 (1) The Commission accepts Sprint Nextel Corporation's report on the status of compliance with the cell site four-hour back-up power requirement in Docket UT-073023.
- 21 (2) The Application for Relinquishment of Eligible Telecommunications Carrier Designation in the state of Washington, filed by Sprint Nextel Corporation is granted, effective January 1, 2012. A complete list of exchanges subject to relinquishment is set forth in Appendix A.
- 22 (3) No later than July 31, 2012, Sprint Nextel must provide a final ETC compliance filing, describing its use of federal high cost support for the calendar year 2011. The filing should contain all certifications and reports required by WAC 480-123-070.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Director and Secretary to enter this Order.

DATED at Olympia, Washington, and effective December 15, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Acting Secretary

Appendix A
ILEC Wire Centers Subject to ETC Relinquishment

Incumbent Local Exchange Carrier (ILECs)	Exchange
Asotin Telephone Company	Asotin
CenturyTel of Cowiche	Cowiche
CenturyTel of Cowiche	Rimrock
CenturyTel of Cowiche	Tieton
CenturyTel of Washington	Ames Lake
CenturyTel of Washington	Arletta
CenturyTel of Washington	Ashford
CenturyTel of Washington	Basin City
CenturyTel of Washington	Carnation
CenturyTel of Washington	Cheney
CenturyTel of Washington	Connell
CenturyTel of Washington	Curtis
CenturyTel of Washington	Edwall - Tyler
CenturyTel of Washington	Elma
CenturyTel of Washington	Eltopia
CenturyTel of Washington	Eureka
CenturyTel of Washington	Fall City
CenturyTel of Washington	Gig Harbor
CenturyTel of Washington	Kingston
CenturyTel of Washington	Lake Quinault
CenturyTel of Washington	Lakebay
CenturyTel of Washington	Lind
CenturyTel of Washington	Mathews Corner
CenturyTel of Washington	McCleary
CenturyTel of Washington	Medical Lake
CenturyTel of Washington	Mesa
CenturyTel of Washington	Montesano
CenturyTel of Washington	North Bend
CenturyTel of Washington	Ocosta
CenturyTel of Washington	Orting

Incumbent Local Exchange Carrier (ILECs)	Exchange
CenturyTel of Washington	Reardan
CenturyTel of Washington	Ritzville - Benge
CenturyTel of Washington	Royal City
CenturyTel of Washington	South Prairie
CenturyTel of Washington	Spangle
CenturyTel of Washington	Sprague
CenturyTel of Washington	Vader
CenturyTel of Washington	Vashon
CenturyTel of Washington	Wilson Creek
CenturyTel of Washington (inter-island)	Blakely Island
CenturyTel of Washington (inter-island)	East Sound
CenturyTel of Washington (inter-island)	Friday Harbor
Ellensburg Telephone Company	Ellensburg
Ellensburg Telephone Company	Kittitas
Ellensburg Telephone Company	Lauderdale
Ellensburg Telephone Company	Selah
Ellensburg Telephone Company	Thorp
Ellensburg Telephone Company	Vantage
Frontier Communications Northwest Inc.	Acme - Deming-Whatcomcty
Frontier Communications Northwest Inc.	Alger
Frontier Communications Northwest Inc.	Anacortes
Frontier Communications Northwest Inc.	Arlington
Frontier Communications Northwest Inc.	Benton City
Frontier Communications Northwest Inc.	Big Lake
Frontier Communications Northwest Inc.	Blaine - Birch Bay
Frontier Communications Northwest Inc.	Bothell
Frontier Communications Northwest Inc.	Burlington
Frontier Communications Northwest Inc.	Camas - Washougal
Frontier Communications Northwest Inc.	Cashmere
Frontier Communications Northwest Inc.	Chelan
Frontier Communications Northwest Inc.	Conway
Frontier Communications Northwest Inc.	Coupeville
Frontier Communications Northwest Inc.	Custer

Incumbent Local Exchange Carrier (ILECs)	Exchange
Frontier Communications Northwest Inc.	Deming
Frontier Communications Northwest Inc.	Edison
Frontier Communications Northwest Inc.	Entiat
Frontier Communications Northwest Inc.	Everett
Frontier Communications Northwest Inc.	Everson
Frontier Communications Northwest Inc.	Ferndale
Frontier Communications Northwest Inc.	George
Frontier Communications Northwest Inc.	Granite Falls
Frontier Communications Northwest Inc.	Grayland
Frontier Communications Northwest Inc.	Halls Lake
Frontier Communications Northwest Inc.	Kennewick
Frontier Communications Northwest Inc.	Kirkland
Frontier Communications Northwest Inc.	La Conner
Frontier Communications Northwest Inc.	Laurel
Frontier Communications Northwest Inc.	Leavenworth
Frontier Communications Northwest Inc.	Lynden
Frontier Communications Northwest Inc.	Marysville
Frontier Communications Northwest Inc.	Monroe
Frontier Communications Northwest Inc.	Mount Vernon
Frontier Communications Northwest Inc.	Naches
Frontier Communications Northwest Inc.	Newport
Frontier Communications Northwest Inc.	Oak Harbor
Frontier Communications Northwest Inc.	Pullman
Frontier Communications Northwest Inc.	Quincy
Frontier Communications Northwest Inc.	Richland
Frontier Communications Northwest Inc.	Richmond Beach
Frontier Communications Northwest Inc.	Rosalia
Frontier Communications Northwest Inc.	Sedro Woolley
Frontier Communications Northwest Inc.	Silver Lake
Frontier Communications Northwest Inc.	Snohomish
Frontier Communications Northwest Inc.	Soap Lake
Frontier Communications Northwest Inc.	Stanwood
Frontier Communications Northwest Inc.	Sultan

Incumbent Local Exchange Carrier (ILECs)	Exchange
Frontier Communications Northwest Inc.	Sumas
Frontier Communications Northwest Inc.	Waterville
Frontier Communications Northwest Inc.	Wenatchee
Frontier Communications Northwest Inc.	Westport
Frontier Communications Northwest Inc.	Woodland
Hat Island Telephone Company	Hat Island
Hood Canal Telephone Company	Union
Inland Telephone Company	Roslyn
Inland Telephone Company	Uniontown
Kalama Telephone Company	Kalama
Lewis River Telephone Company	La Center
Mashell Telecom	Eatonville
McDaniel Telephone Company	Onalaska
McDaniel Telephone Company	Salkum
Qwest Corporation	Aberdeen - Hoquiam
Qwest Corporation	Auburn
Qwest Corporation	Bainbridge Island
Qwest Corporation	Battle Ground
Qwest Corporation	Belfair
Qwest Corporation	Bellevue
Qwest Corporation	Bellingham
Qwest Corporation	Black Diamond
Qwest Corporation	Bremerton
Qwest Corporation	Buckley
Qwest Corporation	Castle Rock
Qwest Corporation	Centralia
Qwest Corporation	Chehalis
Qwest Corporation	Cle Elum
Qwest Corporation	Colfax
Qwest Corporation	Copalis - Ocean Shore
Qwest Corporation	Deer Park
Qwest Corporation	Des Moines
Qwest Corporation	Easton

Incumbent Local Exchange Carrier (ILECs)	Exchange
Qwest Corporation	Elk
Qwest Corporation	Enumclaw
Qwest Corporation	Ephrata
Qwest Corporation	Graham
Qwest Corporation	Green Bluff
Qwest Corporation	Hoodspport
Qwest Corporation	Issaquah
Qwest Corporation	Kent
Qwest Corporation	Liberty Lake
Qwest Corporation	Longview Kelso
Qwest Corporation	Maple Valley
Qwest Corporation	Moses Lake
Qwest Corporation	Newman Lake
Qwest Corporation	Olympia
Qwest Corporation	Othello
Qwest Corporation	Pasco
Qwest Corporation	Pateros
Qwest Corporation	Port Angeles
Qwest Corporation	Port Ludlow
Qwest Corporation	Port Orchard
Qwest Corporation	Port Townsend
Qwest Corporation	Puyallup
Qwest Corporation	Renton
Qwest Corporation	Ridgefield
Qwest Corporation	Rochester
Qwest Corporation	Roy
Qwest Corporation	Seattle
Qwest Corporation	Sequim
Qwest Corporation	Shelton
Qwest Corporation	Silverdale
Qwest Corporation	Spokane
Qwest Corporation	Sumner
Qwest Corporation	Tacoma

Incumbent Local Exchange Carrier (ILECs)	Exchange
Qwest Corporation	Tacoma Waverly
Qwest Corporation	Vancouver
Qwest Corporation	Walla Walla - Touchet
Qwest Corporation	Warden
Qwest Corporation	Winlock
Qwest Corporation	Yakima
St John Co-Op Telephone & Telegraph Company	St John
Tenino Telephone Company	Tenino
The Toledo Telephone Company	Toledo
United Telephone Company of The Northwest	Chimacum
United Telephone Company of The Northwest	Columbia
United Telephone Company of The Northwest	Dallesport - Wishram
United Telephone Company of The Northwest	Goldendale
United Telephone Company of The Northwest	Grandview
United Telephone Company of The Northwest	Granger
United Telephone Company of The Northwest	Harrah
United Telephone Company of The Northwest	Hood Canal
United Telephone Company of The Northwest	Lyle
United Telephone Company of The Northwest	Mabton - Bickleton
United Telephone Company of The Northwest	Mattawa
United Telephone Company of The Northwest	Paterson
United Telephone Company of The Northwest	Port Angeles - Gardiner
United Telephone Company of The Northwest	Poulsbo
United Telephone Company of The Northwest	Prosser
United Telephone Company of The Northwest	Roosevelt
United Telephone Company of The Northwest	Stevenson
United Telephone Company of The Northwest	Toppenish - Zillah
United Telephone Company of The Northwest	Wapato
United Telephone Company of The Northwest	White Salmon
United Telephone Company of The Northwest	White Swan
United Telephone Company of The Northwest	Whitstran
United Telephone Company of The Northwest	Willard
Whidbey Telephone Company	Point Roberts

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Incumbent Local Exchange Carrier (ILECs)	Exchange
Whidbey Telephone Company	South Whidbey
Yelm Telephone Company	Rainier
Yelm Telephone Company	Yelm