

## ETC DESIGNATION - REQUEST FOR COMMENTS

The questions follow the order of topics in the FCC Report and Order. Please refer to the question numbers and FCC paragraph numbers in your responses. In addition to the specific questions below, commenters are requested to raise issues not touched on by the list of questions.

When commenting, please discuss the applicability of statutes to the guidelines recommended by the FCC. In particular, please consider whether RCW 80.01.040, RCW 80.04.530, RCW 80.36.300, RCW 80.36.600, RCW 80.36.610 or Chapter 80.66 RCW require, permit, or preclude some policy choices. Additionally, in response to Appendix C of the FCC Report and Order, please comment on the applicability of Chapter 19.85 RCW.

Question Number	¶ Ref. Number	Question
1	11,* 16	Single connection: ETCs designated by the WUTC receive support for all connections based on expenditures or on access lines served. This includes support for multiline business and residential customers. Can the WUTC limit through the ETC designation process the number of access lines per-customer for which an ETC receives support? Can the WUTC limit through the ETC designation process the type of customer (i.e., business or residential) for which an ETC receives support?
2	19	The WUTC has relied on the principles of competitive and technological neutrality in analysis of ETC designation decisions. Should the WUTC continue to apply these principles to ETC designation analysis? Are there practical or other limits to the principles of competitive and technological neutrality in the context of ETC designations? Could broadband (VoIP), cable, WiMax, or satellite phone service providers be designated ETCs?
3	22	The WUTC has required ETC petitioners to state that the carrier will offer its services throughout the area for which it seeks designation. The FCC has determined that it will “require that an ETC applicant make specific commitments to provide service to requesting customers in the service areas for which it is designated as an ETC.” Does the FCC’s new requirement differ from the WUTC’s requirement? If the WUTC were to adopt a rule on this topic, what “specific commitments” should be required?

\* Numbers in this column refer to the paragraph numbers of *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Docket 96-45, FCC 05-46 (rel. March 17, 2005).

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
4	22	<p>The WUTC has required ETCs to offer service throughout the service areas for which the ETC is designated. The WUTC has refrained from directing ETCs to provide service in a particular manner. The FCC lists six methods for extending service. Should WUTC now require the method(s) of service in addition to requiring service?</p>
5	23	<p>The FCC now requires “that an ETC applicant submit a five-year plan describing with specificity its proposed improvements or upgrades to the applicant’s network on a wire center-by-wire center basis throughout its designated service area.” The FCC has stated that an ETC’s five-year plan “must include: (1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.” Are there circumstances in Washington that provide support for an approach similar to the FCC’s, or support an approach different from the FCC’s?</p>
		<p>Please provide information about the effort and cost that might be required to comply with the FCC requirements should they be adopted by the WUTC.</p>
		<p>If the WUTC requests five-year plans, should there be an evaluation of the plans, and if so, what criteria should be used to determine the adequacy or accuracy of the plans?</p>
6	23	<p>The FCC now requires ETCs to demonstrate supported improvements have been made through particular report elements. It requires “an ETC applicant must submit coverage maps detailing the amount of high-cost support received for the past year, how these monies were used to improve its network, and specifically where signal strength, coverage, or capacity has been improved in each wire center in each service area for which funding was received. In addition, an ETC applicant must submit on an annual basis a detailed explanation regarding why any targets established in its five-year improvement plan have not been met.” If the WUTC were to adopt this reporting requirement, are there other investments or expenditures that should qualify as satisfactory to meet the requirement to use</p>

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
		federal support only for intended purposes?
		Should the WUTC require ETC applicants to submit formal improvement plans? If so, what should those plans include? What reports should be required of ETCs; what should be the focus of the review; and what should occur when reported results vary from plans?
7	24	The FCC rejected suggestions that build-out plans include a specific timeline. Should the WUTC request build-out plans with specific timelines?
8	25	The FCC will require an applicant for ETC designation to demonstrate its ability to remain functional in emergency situations, and to “demonstrate it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.” Should the WUTC adopt this requirement? If it does, how should “emergency situation” be defined? What does it mean “to remain functional” in an emergency situation?
		Many ETCs in Washington operate under WAC 480-120-412 and 414. If the FCC requirement were adopted by the WUTC, would compliance with these rules satisfy the FCC requirement?
9	25	The WUTC has a rule that address backup power and reserve battery capacity. <i>WAC 480-120-411</i> . Would compliance with that rule satisfy the FCC’s requirement in Paragraph 25?
10	26	The FCC rejected a proposal for a requirement that an ETC maintain eight hours of back-up power and ability to reroute traffic to other cell sites in emergency situations. What does your company have in place today to meet back-up power needs? Should the WUTC adopt an eight-hour requirement? Require the ability to reroute traffic to other cell sites in emergency situations? Require the ability to re-route traffic from the line-side of a switch?
11	27	The FCC will now require reporting on an annual basis of outages experienced by ETCs. Should the WUTC require similar reports on an annual or more frequent basis? How could the WUTC use the reports in the annual certification process?

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
12	28	The FCC will require a carrier seeking “ETC designation to demonstrate its commitment to meeting consumer protection and service quality standards” by making “a specific commitment to objective measures to protect consumers.” The FCC did not adopt standards; it permits an ETC to propose standards to which the ETC will adhere. What are the concerns for consumer protection and service quality in Washington that should be addressed by standards? If there are concerns, what standards should apply?
13	30	The FCC stated that “we encourage states to consider, among other things, the extent to which a particular regulation is necessary to protect consumers in the ETC context, as well as the extent to which it may disadvantage an ETC specifically because it is not the incumbent LEC,” and to “not require regulatory parity for parity’s sake.” If the WUTC were to adopt a rule “to protect consumers in the ETC context,” what existing (demonstrated) problems should be addressed and in what way?
14	32 - 33	The FCC will require an ETC to “demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which the applicant seeks designation.” The FCC itself declined to adopt a specific local usage threshold, but will review local usage offerings on a case-by-case basis. The FCC intends to “ensure that each ETC provides a local usage component in its universal service offerings that is comparable to the plan offered by the incumbent LEC in the area.” The FCC encourages states to determine whether the ETC “provides adequate local usage.” If the WUTC determines it should require wireless ETCs to offer something other than their current subscriber offerings, should the WUTC investigate the revenues and expenses of wireless companies to determine if the offering intended to be comparable to the incumbent LEC’s offering is fair, just, reasonable, and sufficient?
		If the WUTC considers a requirement that wireless ETCs provide local usage comparable to that of the incumbent LEC, should the WUTC also consider a requirement that incumbent LECs have a local usage offering comparable to one or more wireless plans, including limited “anytime” minutes, extended area calling, or national “toll free” service?
15	35	The FCC did not impose an equal access requirement on all ETCs, it stated that ETC applicants should acknowledge that the

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
		FCC may require equal access in the event that no other ETC is providing equal access within the same service area. Should the WUTC consider imposing an equal access requirement?
16	37	The FCC did not adopt a requirement for ETC applicants to demonstrate the financial capability to provide quality services throughout the designated service area. Should the WUTC adopt a requirement that an ETC applicant demonstrate the financial capability to sustain supported services? Should the WUTC require proof of financial capability to sustain supported services as part of the annual certification process?
17	40-43	The FCC states that in making a public interest determination, the “public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.” To what degree should the WUTC consider the purposes of the Act and section 254 principles, including “the deployment of advanced telecommunications and information services to all regions” in making the public service determination?
18	44	The FCC states “in light of the numerous factors it considers in its public interest analysis, the value of increased competition, by itself, is unlikely to satisfy the public interest test.” The WUTC has considered the benefits of competition, not competition itself. How should the WUTC factor in the benefits of competition when determining the public interest in ETC designation?
19	44	The FCC states that it weighs advantages and disadvantages of particular service offerings. The WUTC has stated that it believes customers can determine the value of advantages and disadvantages of service offerings better than the government. Should the WUTC consider advantages and disadvantages of carrier service offerings when making a public interest determination in an ETC designation? Is the price of a service offering an “advantage or disadvantage?” Is the quality of a service offering an “advantage or disadvantage?”

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
20	45	The FCC has emphasized service quality of carriers seeking ETC designation. It states, “the requirements to demonstrate compliance with a service quality improvement plan and to respond to any reasonable request for service will ensure designation of ETC applicants that are committed to using high-cost support to alleviate poor service quality in the ETC’s service area.” Is there a service quality problem among ETCs in Washington; if so, what is the problem? What specific information about poor service quality is in the record of the FCC that the WUTC might use to compare to carriers’ service quality in Washington as part of the process of determining whether to grant or deny ETC designation?
21	47	Should the WUTC determine that ETC designation of a carrier will confer a public benefit before making the initial designation? If so, what information should the WUTC use to arrive at a determination of public benefit? Should the WUTC require some proof of continuing public benefit as part of the annual certification process?
22	48-53	The FCC has rules that provide federal high-cost support to rural incumbents based on embedded costs of those carriers. The FCC rules provide support to non-incumbent ETCs for every line served based on the costs of incumbents, not on the costs of the ETC. In Washington, federal universal service has been disaggregated for rural incumbents so that support is based on costs associated with each rural exchange. As a result, non-incumbent ETCs receive support based on the level of support needed by the rural incumbent to serve an exchange. Should the WUTC address cream skimming more than it has: if so, how?
23	54	The FCC declined to adopt a specific test to use when considering whether designation of an ETC will affect the size and sustainability of the high-cost fund. In the absence of a federal test, should the WUTC apply a test and what test should it apply?
24	55	The FCC states, “one relevant factor in considering whether or not it is in the public interest to have additional ETCs designated in any area may be the level of per-line support provided to the area. If the per-line support level is high enough, the state may be justified in limiting the number of ETCs in that study area, because funding multiple ETCs in such

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
		<p>areas could impose strains on the universal service fund.” However, the FCC also has determined that a non-incumbent ETC is entitled to receive support for each line served in an amount equal to the per-line amount received by an incumbent ETC. May the WUTC deny ETC designation to an otherwise qualified carrier because receipt of the federally-determined support amount “could impose strains on the universal service fund?”</p>
		<p>If a non-incumbent will serve a location without support, would fund sustainability be increased if the incumbent is not designated an ETC?</p>
25	56	<p>The FCC declined “to adopt a specific national per-line support benchmark for designating ETCs,” and stated “Although giving support to ETCs in particularly high-cost areas may increase the size of the fund, we must balance that concern against other objectives, including giving consumers throughout the country access to services comparable to services in urban areas and ensuring competitive neutrality. In addition, as a practical matter, we do not believe we currently have an adequate record to determine what specific benchmark or benchmark should be set.” Can the WUTC develop a state benchmark and apply it in the context of an ETC designation decision? What would be the benchmark?</p>
26	57	<p>The FCC declined to adopt a proposal that would allow only one wireline ETC and one wireless ETC in each service area. The FCC also stated “Such a proposal that limits the number of ETCs in each service area creates a practical problem of determining which wireless and wireline provider would be selected.” Should the WUTC limit ETC designation to one wireline company and one wireless company in any location? Adopt a rebuttable presumption that it is not in the public interest to have more than one ETC in rural areas?</p>
27	57	<p>The FCC also declined to treat smaller and larger wireless carriers differently when the issue is the effect on the fund of ETC designation. What process and standards of review should be applied to various classes of ETC applicants? Should the same process and standards apply equally to all applicants?</p>
28	66-67	<p>The FCC addresses issues related to ETC designations for carriers whose service areas will include tribal lands. The WUTC has designated several ETCs that serve tribal lands, and</p>

ETC Designation - Request for Comments

Question Number	¶ Ref. Number	Question
		in particular reservations. Should the WUTC require ETC applicants to send notice (a copy of the petition) to Indian tribes that might be affected by the designation?
29	68-72	The FCC will require information from ETCs every year when the ETC makes its annual certification that it will use federal universal service support only for the intended purposes. Much of the information the FCC will require is similar to the information discussed in questions concerning initial designation. The FCC's new annual certification also requires information regarding the ETC's network and its use support funds. Should the WUTC require the same information as will the FCC?
		The FCC created the Lifeline and Link Up programs to assist low-income consumers, and the federal tribal lifeline program to target low-income support to residents of Indian reservations. If the WUTC develops additional requirements for annual certification of designated ETCs, should it require annual reports on ETC efforts to publicize the availability of lifeline service in a manner reasonably designed to reach those likely to qualify for the service? Should it inquire into ETC practices related to accepting and processing requests for Lifeline service?
		If the WUTC imposes any requirements for certification, must it do so by rule, or may it do so by order?
30		Should the WUTC disclaim jurisdiction with respect to one, some, or all ETC designations? Is the WUTC permitted to disclaim jurisdiction to conduct annual certifications for ETCs designated by the FCC? ETCs designated by the WUTC?