

II. BACKGROUND

T-Mobile was designated as an ETC by the Commission on October 14, 2010 in the *Designating Order*. Pursuant to discussions with Staff of the Commission, on April 5, 2011, T-Mobile filed an amended list of the local exchange carrier wire centers that comprise T-Mobile's designated service area. The Commission accepted T-Mobile's revised ETC service area list of telephone company wire centers and issued Order Number 02 in Docket UT-101060 with the revised list of local exchange carrier wire centers that comprise T-Mobile's designated service area ("Designated Area"), which is included as Attachment A.

On October 27, 2011, in its *USF/ICC Transformation Order*, the FCC adopted changes to its universal service rules,³ and, on February 6, 2012, in its *Lifeline Reform Order*, the FCC adopted further changes to its universal service rules governing the provision of Lifeline service.⁴ Among the changes adopted in the *USF/ICC Transformation Order* and *Lifeline Reform Order*, the FCC revised the annual reporting and certification requirements, which are now reflected in 47 C.F.R. §§ 54.313, 54.314 and 54.422. The revised *Washington Certification Requirements* are largely consistent with the annual reporting requirements in the FCC rules.⁵ In this Petition, T-Mobile addresses each of the reporting requirements adopted by the Commission in the *Designating Order* and the *Washington Certification Requirements*, and incorporates the identified attachments, some of which contain confidential and proprietary information and are filed under seal. In addition, T-Mobile is separately filing with the Commission a copy of its

³ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*").

⁴ *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11, released February 6, 2012 ("*Lifeline Reform Order*").

⁵ *In the Matter of Federal-State Joint Board on Universal Service, Report and Order*, FCC 05-46, March 17, 2005 ("*ETC Additional Requirements Order*").

FCC Form 481 Annual Report (Docket UT-150063) and copies of its FCC Form 690 Annual Reports (Docket UT-120512).

III. FEDERAL HIGH COST UNIVERSAL SERVICE SUPPORT RECEIVED

In the *USF/ICC Transformation Order*, the FCC took several steps toward developing a budget for the Universal Service Fund including (among other things) eliminating the identical support rule, limiting the per line high cost support, freezing high cost support for all competitive ETCs ("CETCs") for an interim period of six months in 2012, and phasing down all high cost support for CETCs over a five year period beginning in July 2012. Pursuant to the *USF/ICC Transformation Order*, monthly high cost support for CETCs is the aggregate support received in 2011 divided by twelve. Beginning in July 2012, CETCs were subject to a 20 percent per year phase down, with all legacy high cost support to CETCs being eliminated by 2016.⁶

In the calendar year 2014, T-Mobile received a total of \$1,328,148 in federal high cost universal service support for its Designated Area in Washington. Based upon support received to date in 2015, T-Mobile estimates that it will receive the same amount of federal high cost universal service support, \$1,328,148, for its Designated Area in 2015, which is based upon the steps taken by the FCC in the *USF/ICC Transformation Order* (identified above) to reduce legacy funding for CETCs, subject to the halt in the phase down of legacy high cost support. This estimate is based on current information and is subject to change.

IV. ANNUAL CERTIFICATIONS AND REPORTING

A. Use of Universal Service Support and Benefits to Consumers

Standard 1 of the *Washington Certification Requirements* requires that an ETC submit a report providing a "substantive description of investments made and expenses paid with support

⁶ 47 C.F.R. § 54.307(e)(5). The phase down of high cost support for competitive ETCs was halted in July 2014 because Mobility Fund Phase II is not yet operational; consequently, projected high cost support for 2015 is based upon the monthly support received during the first six months of 2015.

from the federal high cost fund,” including “the company’s gross capital expenditures and operating expenses made with federal high-cost support received by the ETC in the preceding calendar year along with a description of major projects and affected exchanges,” plus “a substantive description the benefits to consumers that resulted from the investments and expenses reported.”⁷ T-Mobile’s report regarding its use of federal high cost universal service support for 2014 is included as Confidential Attachment B.

The *Washington Certification Requirements*⁸ and federal law⁹ requires ETCs to use support “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.” The FCC rules require states to “file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”¹⁰ Included in Attachment C is T-Mobile’s annual certification based upon federal and Washington requirements.

B. Local Service Outages

Standard 2 of the *Washington Certification Requirements* is now consistent with the FCC outage reporting requirement [47 C.F.R. § 54.313(a)(2)] requiring “detailed information on any outage in the service area (during the prior calendar year) of at least thirty minutes in duration in which the ETC owns, operates, leases, or otherwise utilizes facilities, that potentially affect:

⁷ WAC 480-123-070(1).

⁸ WAC 480-123-060.

⁹ 47 U.S.C. § 254(e) and 47 C.F.R. § 54.7.

¹⁰ 47 C.F.R. § 54.314(a).

(i) At least ten percent of the end users; or (ii) A 911 special facility, as defined in 47 C.F.R. Sect. 4.5(e).”¹¹ ETCs must include the following information in their outage reports: ¹²

- (a) the date and time of onset of the outage;
- (b) a brief description of the outage and its resolution;
- (c) the particular services affected;
- (d) the geographic areas affected by the outage;
- (e) steps taken to prevent a similar situation in the future; and
- (f) the number of customers affected.

This outage information was included in T-Mobile’s FCC Form 481 Annual Report filed with the FCC and USAC on or about July 1, 2015, and a copy of this report is being filed contemporaneous herewith in Commission Docket No. UT-150063.¹³

C. Requests For Service

Standard 3 of the *Washington Certification Requirements* and 47 C.F.R. § 54.313(a)(3) require an ETC to identify the number of requests for service from consumers within its designated service areas that were unfulfilled in the prior calendar year and describe in detail how the Company attempted to provide service to those potential customers.¹⁴ The unfulfilled service request information was included in T-Mobile’s FCC Form 481 Annual Report filed with the FCC and USAC on or about July 1, 2015, and a copy of this report is being filed contemporaneous herewith in Commission Docket No. UT-150063.

¹¹ WAC 480-123-070(2); see also 47 C.F.R. § 54.313(a)(2).

¹² WAC 480-123-070(2).

¹³ WAC 480-123-070(8) specifically allows ETCs to reference reports filed with a federal agency that include the information required by the Commission’s rules.

¹⁴ WAC 480-123-070(3).

D. Complaints Per 1,000 Handsets

Standard 4 of the *Washington Certification Requirements* requires an ETC to report the number of complaints, per 1,000 connections, made to the FCC, or (separately) to the consumer protection division of the Office of the Attorney General of Washington during the previous calendar year.¹⁵ The Washington Certification Requirements also required ETCs to “report the number of consumer complaints in each general category (or example, billing disputes, service quality).”¹⁶ Confidential Attachment D includes the complaints per 1,000 connections consistent with the applicable requirements and the number of consumer complaints in each general category.

E. Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules

Standard 5 of the *Washington Certification Requirements* requires an ETC to certify that it met substantially the applicable service quality standard and consumer protection rules found in WAC 480-123-030(1)(h), which, for a wireless carrier, is the CTIA-The Wireless Association’s® (“CTIA”) Consumer Code for Wireless Service (“Consumer Code”).¹⁷ 47 C.F.R. § 54.313(a)(5) similarly requires a wireless ETC to certify that it complies with the CTIA Consumer Code.¹⁸ T-Mobile is a signatory to the Consumer Code and meets applicable service quality and consumer protection rules for wireless carriers. T-Mobile’s certification of compliance with the applicable service quality standard and consumer protection rules was included in its FCC Form 481 Annual Report filed with the FCC and USAC on or about July 1,

¹⁵ WAC 480-123-070(4); 47 C.F.R. § 54.313(a)(4) also requires an ETC to report the number of complaints per 1,000 connections, but this report could include complaints to other entities and is included in T-Mobile’s FCC Form 481 Annual Report filed with the FCC and USAC on or about July 1, 2015, a copy of which is being filed contemporaneous herewith in Commission Docket No. UT-150063.

¹⁶ WAC 480-123-070(4).

¹⁷ WAC 480-123-070(5); WAC 480-123-030(1)(h).

¹⁸ 47 C.F.R. 54.313(a)(5).

2015, and a copy of this report is being filed contemporaneous herewith in Commission Docket No. UT-150063.

F. Certification of Ability to Function in Emergency Situations

Standard 6 of the *Washington Certification Requirements* requires an ETC to annually certify that it has the ability to function in emergency situations based on continued adherence to the applicable standards, including that, “when commercial power is not available, it has a reasonable amount of backup power (fixed, portable or other backup power source) for its cell sites” and “cell sites do not include any small cell facility as defined in RCW 80.36.375(2)(d) or any in building wireless installation.”¹⁹ 47 C.F.R. § 54.313(a)(6) similarly requires an ETC to certify its ability to function in emergency situations. T-Mobile’s certification of ability to function in emergency situations was included in its FCC Form 481 Annual Report filed with the FCC and USAC on or about July 1, 2015, and a copy of this report , and a copy of this report is being filed contemporaneous herewith in Commission Docket No. UT-150063.

1. T-Mobile Back Up Power Exemption for Cell Sites

The Commission recently modified the *Washington Certification Requirements* to require ETCs to certify they have a “reasonable amount of backup power” at cell sites, eliminating the previous requirement of having at least four (4) hours of back-up power at each cell site. In the *Designating Order*, the Commission granted T-Mobile a temporary exemption from the requirement of four hours of back-up power at each cell site (the “Exemption”) for certain small or in-building cell sites. The Exemption allows T-Mobile to use reliable power sources other than battery to meet the four-hour back-up standard and a period of four (4) years to complete the necessary upgrades to meet the standard. The Exemption also required T-Mobile to (a) provide four (4) hours of back-up power at all new cell sites constructed in the Designated Area,

¹⁹ WAC 480-123-070(6); WAC 480-123-030(1)(g).

subject to its right to seek exemption from the requirement if warranted; (b) include a compliance status report on back-up power upgrades in its annual certification filing; and (c) file a final compliance report upon completion of the necessary upgrades or at the expiration of the Exemption, whichever occurs first.²⁰ The Exemption was granted until December 31, 2014. On September 24, 2014, the Commission granted T-Mobile an extension of its Exemption until December 31, 2015.²¹

Confidential Attachment E includes an update on the cell sites subject to the original Exemption. Attachment F is T-Mobile's Certification of compliance with the Commission's new backup power requirements.

G. Advertising Certification

Standard 7 of the *Washington Certification Requirements* requires an ETC to annually certify that it has publicized the availability of its applicable telephone assistance programs, such as Lifeline Service, in a manner reasonably designed to reach those likely to qualify for service, including to residents of federally recognized Indian reservations within the ETC's designated service area.²² Attachment G includes examples of the advertising that T-Mobile completed in its Designated Area in 2014. Included in Attachment F includes T-Mobile's certification that it appropriately advertised the availability of its telephone assistance program in a manner reasonable designed to reach those likely to qualify for service in accordance with Standard 7 of the *Washington Certification Requirements*.

²⁰ On July 25, 2014, T-Mobile filed a Petition for Extension of Temporary Exemption From WAC 480-123-030(1)(g) and WAC 480-123-070(6) in Docket No. UT-101060 requesting an extension to the previously granted Exemption..

²¹ *In the Matter of the Petition of T-Mobile West LLC, Petition for Extension of Temporary Partial Exemption from the back-up power requirement in WAC 480-123-030(1)(g) and WAC 480-123-070(6)*, Order Granting Extension of Temporary Partial Exemption From The Requirement Of Four Hours Of Back-Up Power At Each Cell Site Until December 31, 2015, Docket UT-101060, Order 04, September 24, 2014.

²² WAC 480-123-070(7).

H. Annual Plan for Universal Service Support Expenditures

The *Washington Certification Requirements* also require an ETC to report on the planned use of federal support, including the company's planned gross capital expenditures and operating expenses made with federal high-cost support received by the ETC for the coming year along with a description of major projects and affected exchanges, and a substantive plan of the investments and expenditures to be made with federal support and a substantive description of how those investments and expenditures will benefit customers.²³

T-Mobile's report on the use of federal high cost universal service support projected to be received in 2016 is included in its Service Improvement Plan for Washington included as Confidential Attachment H. T-Mobile's Service Improvement Plan identifies projected network improvements and upgrades to be funded with universal service support in 2016 and used to improve signal quality, coverage, and/or capacity. All cell site construction and site modification projects are designed to improve signal quality, coverage, and capacity, and switch upgrades are designed to improve service quality and capacity. The Service Improvement Plan further identifies other expenditures for the provision, maintenance, and upgrading of facilities used to deliver supported services to consumers consistent with 47 U.S.C. § 254(e).

The selection of the projects in the Service Improvement Plan is based on the Company's evaluation of many factors, including, but not limited to, current consumer demand, competitive forces, long term planning, available capital, and others. As these factors change, the Service Improvement Plan may be modified. In addition, forces beyond the Company's control (for example, zoning issues related to cell site placement) may result in modifications to planned projects or timelines. As a result, the content and timing of the projects in the Service Improvement Plan are subject to change. In addition, if the actual amount of federal high cost

²³ WAC 480-123-080.

universal service funding received varies from the amount currently estimated, T-Mobile reserves the right to modify its Service Improvement Plan accordingly.

The Washington Certification Requirements also require an ETC to submit, at least every three years, a copy of its then current coverage map in native ESRI format. In its Annual Report filed in 2014, T-Mobile submitted a copy of its coverage map for Washington in ESRI.shp format, consistent with WAC 480-123-080(3), and therefore T-Mobile is not submitting an electronic format of its coverage map with its 2015 report.

VI. ADDITIONAL T-MOBILE CONDITIONS OF ETC DESIGNATION

The Commission granted T-Mobile's request for ETC designation subject to two conditions. Condition 1(a) of the *Designating Order* requires T-Mobile to comply with all applicable federal and Washington state statutes and regulations, including E911 tax contributions. T-Mobile confirms its compliance with all applicable requirements.

Condition 1(b) of the *Designating Order*, related to Lifeline and Link Up support and eligibility, requires T-Mobile to identify the number of Lifeline customers and receipt of federal Lifeline and Link Up support. The Commission also requires T-Mobile to submit a copy of its Annual Verification Survey report made to the USAC regarding its Lifeline customers' continued eligibility for Lifeline, and based upon a review of that information, the Commission reserved the right to impose more rigorous customer eligibility verification requirements on T-Mobile.

A. Low Income Subscribership and Lifeline and Link Up Support

T-Mobile identifies in Confidential Attachment I the total number of Lifeline customers it served in Washington as of December 31, 2014 and the total amount of federal Lifeline and Link

Up support received in 2014 for its Washington study area, in compliance with condition 1(b) of the *Designating Order*.

B. Annual Verification Survey

T-Mobile previously provided the Commission with a copy of its Annual Verification Survey filed with USAC on or about January 31, 2015 for its Designated Area in Washington in compliance with condition 1(b) of the *Designating Order*.

VI. CONCLUSION

Based on the foregoing information, T-Mobile respectfully requests the Commission (i) approve its petition for annual certification and (ii) certify to the FCC and USAC that T-Mobile is eligible to receive federal universal service support in accordance with 47 § U.S.C. 254(e).

Dated this 1st day of July 2015.

Respectfully submitted,

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