

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Petition of

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
Company; Olympia Cellular
Telephone Company, Inc.;
Bellingham Cellular Partnership and
Hood River Cellular Telephone
Company, Inc., d/b/a AT&T Wireless

For Designation as an Eligible
Telecommunications Carrier

DOCKET NO. UT-043011

ORDER NO. 1

ORDER GRANTING PETITION FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS
CARRIER

- 1 ***Synopsis:** The Commission grants the petition of AT&T Wireless for designation as an eligible telecommunications carrier. AT&T Wireless meets the requirements for designation, and granting the petition is in the public interest. AT&T Wireless is ordered to provide a map of its licensed service areas in electronic format.*

I. INTRODUCTION

- 2 The Telecommunications Act of 1996 (federal Act or Act)¹ requires state utility commissions to make a number of decisions related to opening local telecommunications markets to competition and preserving and advancing universal service. One of those decisions is the designation of qualified common carriers as eligible telecommunications carriers (ETCs). In order to be

¹ Public Law 104-104, 110 Stat. 56 (1996), codified in scattered sections of Title 47 U.S.C.

eligible for federal universal service support from the federal High Cost Fund (HCF), a common carrier must be designated by the state commission as an ETC. 47 U.S.C. § 214(e)(1). Once designated as an ETC, a carrier must advertise the availability of service and offer service in the geographic area in which it is designated. *Id.*

II. THE MERITS OF AT&T WIRELESS'S PETITION FOR ETC DESIGNATION

A. The Petitioner

3 On February 20, 2004, 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 Company; Olympia Cellular Telephone Company, Inc.; Bellingham Cellular Partnership and Hood River Cellular Telephone Company, Inc., subsidiary licensees of AT&T Wireless Service, Inc. (collectively "AWS") petitioned for Designation as an ETC pursuant to 47 U.S.C. § 214(e)(2) and 47 C.F.R. § 54.201.

4 AWS petitioned for designation for its licensed service areas that coincide with some or all of the exchange areas operated by wireline carriers Qwest, Verizon Northwest, Sprint-United Tel. NW-WA, Asotin Tel., CenturyTel of Washington, Inc., CenturyTel of Cowiche, Inc., Ellensburg Tel. Co., Hat Island Tel. Co., Hood Canal Tel. Co, Inc., Inland Tel. Co. - WA, Kalama Tel. Co., Lewis River Tel. Co., d/b/a TDS Telecom, McDaniel Tel. Co., d/b/a TDS Telecom, Mashell Telecom, Inc., St. John Telephone and Telegraph, Tenino Tel. Co., Toledo Tel. Co., Inc., Western Wahkiakum County Tel. Co., Whidbey Tel. Co., and Yelm Tel. Co. *AWS Petition, Exhibits B and C.* AWS did not petition for designation in areas where it is licensed to serve only portions of exchanges. *Id.* ¶ 32.

5 AWS serves in excess of one-half million customers in both urban and rural areas of Washington State. It serves more than 20,000,000 customers nationwide. *Id.* ¶ 3. AWS is headquartered in Redmond, Washington. For purposes of ETC designation, AWS represents that it is considered a common carrier under 47 C.F.R. § 20.9. *Id.* ¶ 5.

6 AWS provides wireless voice and data services over two separate, overlapping networks. One network uses time division multiple access (TDMA) for voice signal transmission, and the other uses general packet radio service (GPRS) for voice and data transmission. *Id.* ¶ 7. GPRS provides higher speeds for data transmission than does TDMA.

B. Statutory Requirements

7 ETCs are required to offer the services supported by the universal service fund (USF) and advertise the availability of those services. 47 U.S.C. § 214(e)(2); 47 C.F.R. § 101(a), (b). In addition, ETCs must offer discounts to low-income consumers through the Lifeline and Link Up programs. 47 C.F.R. §§ 54.405, 411.

8 The federal Act authorizes state commissions to grant ETC designation to common carriers that request such designation, provided the carriers meet the requirements for ETC designation. The Act contemplates the designation of multiple ETCs in any given service area. 47 U.S.C. § 214(e). In an area served by a rural telephone company, state commissions *may* designate more than one ETC in the area if the state commission determines that such designation is in the public interest. 47 U.S.C. § 214(e)(2). The Act does not set forth the criteria state commissions must consider in determining whether the designation of an additional ETC in areas served by rural companies is in the public interest.

9 Designation of ETCs in areas served by rural companies must be at the study-area level,² unless the state commission and the Federal Communications Communication (FCC) agree to a different geographic service area. 47 U.S.C. § 214(e)(5). AWS seeks designation in areas already served by non-rural and rural telephone companies, and by other wireless carriers and by wireless ETCs.

C. Positions of Interested Persons

1. AWS

10 AWS states that it provides the nine services ETCs must offer. *AWS Petition*, ¶ 15; see also 47 C.F.R. § 54.201. It explains in detail how it provides each service. *AWS Petition*, ¶¶ 16-24. AWS also describes its planned Lifeline offering. *Id.* ¶ 27.

11 AWS states that many Washington residents live in rural areas where it is cost-prohibitive for a competitive telecommunications company to offer service, which means that these consumers lack the choice of service providers that is available to urban customers. *Id.* ¶ 29. AWS will use support from the federal HCF to expand its offerings in underserved areas, which will bring needed infrastructure and economic development to those areas in addition to customer choice. *Id.* ¶¶ 29-30.

12 AWS cites orders of this Commission and the FCC that explain why the designation of additional ETCs in rural areas, particularly wireless ETCs, is in the public interest. *Id.* ¶¶ 34-40. The additional designations would serve the public interest by promoting consumer choice, innovation in services,

² A “study area” is commonly known as an incumbent local exchange carrier’s (ILEC’s) existing service area and generally includes all of the exchanges in which the company provides service within the state. The study-area boundaries are fixed as of November 15, 1984. See *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket 96-45, Report and Order, 12 FCC Rcd 8776, 8872 n.434 (1997) (*First Report & Order*).

availability of new technologies, increased mobility, and increased level of service. *Id.*

- 13 AWS contends that granting its petition for ETC designation is in the public interest because it will result in larger local calling areas compared to landline telephone companies, reduced long distance rates, competitive pricing, and the benefits of mobility. *Id.* ¶ 41. AWS also states it is in the public interest to designate it as an ETC because it will offer subscribers advanced services and technologies over its “state-of-the-art network facilities” which are used to provide supported services. *Id.* ¶¶ 42-43.
- 14 AWS appeared at the Open Meeting and explained that it can be distinguished from other wireless ETCs in Washington because it offers nationwide calling plans that face competition from other large competitors. The other wireless ETCs in Washington are smaller carriers operating only in local or regional markets. AWS is different because it offers nationwide plans, which are priced to be competitive in urban areas. AWS also must remain competitive because its customers may take their telephone number to another carrier. This means that customers in rural areas will benefit from the downward pressure on prices caused by robust competition in the larger markets.

2. *Verizon Northwest Inc.*

- 15 Verizon Northwest Inc. submitted written comments dated March 1, 2004. Verizon Northwest expressed concern about the effect of designation of AWS on Verizon Northwest’s share of interstate access support, but did not quantify that effect. Verizon Northwest recommends the Commission take no action on AWS’s petition until the FCC decides how to address issues relating to multiple ETC designations.

3. *Rural Incumbent Local Exchange Companies*

16 The Washington Independent Telephone Association, and its member companies (hereinafter “Rural ILECs”) oppose AWS’s petition. Rural ILECs submitted written comments and appeared at the March 10, 2004 Open Meeting through counsel.

17 Rural ILECs request a formal adjudication pursuant to WAC 480-07-305. *Rural ILEC Comments, at 1*. Rural ILECs contend that AWS’s petition lacks sufficient facts to make the public interest determination. *Id. at 4*. Specifically, they claim that AWS did not quantify the number of customers it serves in each rural exchange, which would be necessary in order for the Commission to determine the impact of designation on the federal HCF. Rural ILECs also fault AWS for failing to include sufficient information for the Commission to weigh the unique advantages and disadvantages of AWS’s service offerings, and for failing to submit “service plans.” *Id.*

18 Rural ILECs also state that the Commission should inquire into how many ETCs should be designated for high-cost, low-density service areas. They cite a recent recommended decision by the Federal-State Joint Board on Universal Service for the proposition that the Commission must specifically consider the number of ETCs that may be appropriate in any rural service area. *Id. at 4*³. They contend that the Commission must determine whether there is public benefit to designating an additional wireless ETC in a rural area that already has at least one wireless ETC. *Id.*

19 Rural ILECS state that there is a factual issue as to whether AWS’s licenses cover entire counties. *Id.* They also contend that the Commission must determine if there are locations within AWS’s licensed service area where AWS

³ Citing *In the Matter of the Federal-State Joint Board on Universal Service*, CC Docket 96-45, Recommended Decision, FCC 04J-1, ¶ 43 (rel. Feb. 27, 2004) (*Recommended Decision*).

does not provide service, and how AWS will satisfy its obligation to serve all of the designated service areas within a reasonable period of time. *Id.*

- 20 Rural ILECs contend that the FCC's decision in *Virginia Cellular*⁴ is binding on the Commission. They state *Virginia Cellular* mandates this Commission to conduct an adjudication to weigh the benefits and costs of designation and that the petitioner bears the burden of proof that designation is in the public interest. *Id. at 3.*
- 21 Rural ILECs also question whether AWS is capable of serving all the exchanges for which it seeks designation, and whether it can serve all parts of those exchanges. They note that AWS seeks designation for some exchanges, but not for other nearby exchanges in the same county. They cite AWS's request for ETC designation for the St. John exchange in Whitman County, but not the nearby Colfax exchange.
- 22 Rural ILECs state that the FCC in *Virginia Cellular*, and other state commissions, have required carriers petitioning for ETC designation to commit to build a certain number of towers, or to introduce a particular service, and that AWS has not done so. Rural ILECs also state that AWS will receive support based on its designation even if it does not increase services or extend its ability to serve beyond its current ability.
- 23 Rural ILECs also express concern that AWS may have limited the exchanges for which it requested designation to those where it will receive the most support or where conditions exist to make wireless service profitable even without support. Rural ILECs acknowledge that the disaggregation of federal support

⁴ *In the Matter of Federal-State Joint Board on Universal Service Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia*, CC Docket 96-45, Memorandum Opinion and Order, FCC 03-338 (rel. Jan. 22, 2004).

reduces much of the potential for cream-skimming, but argued disaggregation alone cannot eliminate it completely.

4. *Commission Staff*

24 Commission Staff recommends approval of the petition. Staff states that it would be in the public interest to grant AWS's petition for ETC designation because it will bring the benefits of competition to rural customers.

25 Staff states that granting the petition is consistent with the two purposes of the federal Act—to promote local competition and to preserve and advance universal service. Staff cites prior decisions in which this Commission has held that rural customers benefit from competition because additional customer choice will bring downward pressure on prices, greater availability of innovative products, and more attention to customer service. *Staff Memorandum, at 3-4.*

26 Staff refers to this Commission's reliance on RCW 80.36.300 in prior ETC designations. This statute embodies the state policy to maintain and advance the efficiency and availability of telecommunications services, to ensure that customers pay reasonable rates for their services, and to promote diversity of supply of telecommunications services throughout the state. *Id. at 4.*⁵

27 Staff also opine that granting the designation will further the principles of competitive and technological neutrality. Increasing the availability of

⁵ See *In the Matter of the Petition of RCC Minnesota, Inc., d/b/a Cellular One For Designation as an Eligible Telecommunications Carrier*, WUTC Docket No. UT-023033, Order Granting Petition for Designation as an Eligible Telecommunications Carrier, ¶ 10 (August 14, 2002) (*RCC Order*); *In The Matter of The Petition of Inland Cellular Telephone Company, d/b/a Inland Cellular, Eastern Sub-RSA Limited Partnership, and Washington RSA No. 8 Limited Partnership For Designation As An Eligible Telecommunications Carrier*, WUTC Docket No. UT-023040, Order Granting Petition for Designation as an Eligible Telecommunications Carrier, ¶¶ 15 & 65 (August 30, 2002) (*Inland Order*).

telecommunications services and diversity of supply are consistent with these principles. *Id.*

- 28 Staff asserts that the Rural ILECs' concerns regarding the designation of additional ETCs in their service areas are not well-founded. Staff notes that FCC HCF rules do not result in a reduction of federal high-cost fund support when an additional ETC receives support. The manner by which rate-of-return rural companies' costs are supported actually results in an increase in federal support on a per-line basis if competition results in a reduction of the total number of lines served by a rural ILEC. *Id. at 8.*
- 29 Staff reminds the Commission that in the past four years during which Rural ILECs have faced competition from wireless ETCs, no Rural ILEC has asked the Commission to increase its revenue requirement. Staff contends this observation supports the conclusion that designation of additional ETCs has not harmed consumers receiving basic telecommunications service from Rural ILECs. *Id.*
- 30 Staff asserts that granting AWS's petition would be consistent with the *Virginia Cellular* decision, as well as with other ETC designations by this Commission. *Id. at 5-6.* Staff notes that the only difference between the FCC's analysis in *Virginia Cellular* and this Commission's prior ETC designations is that the FCC considered the effect of the designation on the federal HCF. Staff recommends that this Commission not consider the effect on the fund, because the fund is wholly within the control of the FCC. The effect on the federal HCF is a national issue, and the FCC has not made significant changes in the last four years.
- 31 Staff also noted that the Federal-State Joint Board's Recommended Decision is only that—a recommendation. It is not binding on the Commission. Even if the

FCC were to adopt the recommendation, the result would be guidelines that are permissive only.

III. COMMISSION DISCUSSION AND DECISION

A. Legal and Policy Issues

- 32 Under the federal Act, Congress conferred on state commissions the authority to designate common carriers as ETCs. 47 U.S.C. § 214(e)(2). Congress amended the Act to authorize the FCC to designate common carriers as ETCs where the state commission has no jurisdiction over the common carrier. *Id.* § 214(e)(6); (*Amendment of Communications Act of 1934, Pub. L. No. 105-125, 111 Stat. 2540 (1997)*). The FCC does not have the jurisdiction to designate common carriers concurrent with the states.
- 33 Congress left to the state commissions to determine whether the designation of a common carrier as an ETC is in the public interest. 47 U.S.C. § 214(e)(2). The Commission may look to the decisions of the FCC and other states for guidance as to the meaning of “public interest,” but the Commission is not bound by those decisions.
- 34 Contrary to the contentions of Rural ILECs, the FCC’s decision in *Virginia Cellular* is not binding on this Commission. In *Virginia Cellular*, the FCC intended to apply the framework in that decision to other ETC designations pending before the FCC.⁶ The FCC did not—indeed cannot—bind state commissions to its analysis.
- 35 The Commission declines the Rural ILECs’ request that we initiate an adjudicative proceeding to consider what weight to give the recommended decision of the Federal-State Joint Board on Universal Service. The

⁶ See *Virginia Cellular*, ¶ 4.

Recommended Decision is not binding on the Commission, and even if it were, it sets forth *permissive* guidelines. The Commission is not persuaded that it must conduct an adjudication to determine whether the designation of AWS as an ETC will harm customers served by Rural ILECs. We give significant weight to Staff's observation that in the four years since wireless carriers have been designated as ETCs in areas served by Rural ILECs, no Rural ILEC has requested an increase to its revenue requirement. No customer of a Rural ILEC has complained to the Commission that the designation of a wireless carrier as an additional ETC has caused harm. In comparison, rural ILECs' bare assertions of potential harm, unsupported by facts, are unavailing.

36 The Commission also will not conduct a proceeding to determine what, if any, effect the designation of AWS as an additional ETC in areas served by Rural ILECs will have on the federal HCF. As noted by Staff, this Commission does not have authority over the federal HCF and the effect of additional ETC designations in areas served by rural carriers should be addressed at a national level.⁷ In addition, AWS stated during the Open Meeting that inclusion or exclusion of AWS in the fund will not have any effect on what customers contribute because the total impact would not change even one number to the right of the decimal point in the percentage the FCC requires companies to contribute.⁸ This Commission has considerable experience with these matters, which assists in understating the implications of a decision to grant AWS's petition.

⁷ The FCC is unable to draw a conclusion regarding the impact of a single ETC designation on the HCF. *Virginia Cellular*, ¶ 31, n.96. ("We note, however, in light of the rapid growth of competitive ETCs, comparing the impact of one competitive ETC on the overall fund may be inconclusive.")

⁸ We note that Staff provided information that suggests 93% of the increase in the fund over the last four years is a result of increased payments to rural ILECs rather than increased support for wireless and other non-ILEC ETCs. *Staff Memorandum*, at 6 n.14.

B. Designation of AWS Meets the Requirements of Section 214(e)1. *AWS Will Provide the Required Services*

37 AWS provides or will provide the nine services ETCs must provide pursuant to 47 C.F.R. § 54.101(a) and (b). *Petition*, ¶ 15. AWS has described how it provides each of those services. *Id.* ¶¶ 16-24. AWS will advertise the availability of these services throughout its service area in media of general distribution. *Id.* ¶ 25. AWS must offer Lifeline and Link Up discounts. 47 C.F.R. §§ 54.101, 201, 405, 411. AWS may use the support it receives from the federal HCF only for the provision, maintenance, and upgrading of facilities and services for which support is intended. 47 U.S.C. § 254(e).

38 AWS supported its petition with the affidavit of Karl Korsmo, Vice President, External Affairs. *Id.*, *Exhibit E*. Mr. Korsmo appeared at the Open Meeting and reiterated AWS's intention to fulfill its ETC obligations. In determining whether a petitioner for ETC designation has demonstrated that it will provide and advertise the required services, the Commission may accept a sworn statement from the petitioner as evidence.⁹

39 In seeking ETC designation, AWS is not required to demonstrate that it can provide service in every portion of the area for which it seeks designation. If that were the standard, carriers would be required to make the investment to serve non-economic markets before knowing whether or not federal support would be available to supplement the otherwise insufficient revenue available in the service area. Such an approach would not advance universal service, and

⁹ See *In the Matter of the Petition of Unites States Cellular, et al., for designation as Eligible Telecommunications Carriers*, WUTC Docket No. UT-970345, Third Supplemental Order Granting Petition for Designation as Eligible Telecommunications Carrier, ¶ 12-13 (Jan. 27, 2000) (*U.S. Cellular Order*); *RCC Order*, ¶¶ 43-44; *Inland Order*, ¶¶ 44-45; see also *In the Matter of Federal-State Joint Board on Universal Service, Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission, Declaratory Ruling*, CC Docket No. 96-45, 15 FCC Rcd 15,168, 15,178, ¶ 24 (2000).

it would eliminate any possibility of fair competition throughout low-revenue service areas.¹⁰

2. *Granting AWS's Petition Is In the Public Interest*

40 “Public interest” is a broad concept encompassing the welfare of present and future consumers, stakeholders, and the general public. The “public interest” is broader than the goal of competition alone, and broader than the goal of advancing universal service alone; and we believe the decision today advances these two goals. Designating AWS as an ETC furthers the public interest because consumers will receive benefits from increased competition in the form of a greater variety of services and more comparability of services, compared to more urban areas. Rural customers also benefit because they, rather than the government, will choose which services meet their telecommunications needs.

41 Urban customers can choose among many companies and technologies because companies serving in urban areas can earn sufficient revenue to pay for necessary investment. Rural ILECs receive support because they serve few customers and, in some cases, those customers are located in difficult terrain. State and federal policies support all lines provided by rural ILECs; even multi-line businesses receive supported service. Because of the limited opportunities for revenue in areas served by rural ILECs, there will be no competition—and no customer choice—without multiple ETCs.

42 We disagree with Rural ILECs, at this time, that too many ETCs in rural areas runs counter to the public interest.¹¹ The Commission believes that the public interest is better served by multiple ETCs. By competing with Rural ILECs, and other ETCs, ETCs will have to offer their services at a competitive price with a

¹⁰ See *RCC Order*, ¶ 48.

¹¹ See *Rural ILEC Comments*, at 4.

high level of quality to make customers choose—and continue subscribing to—their services.¹² It is possible that changes in the administration of the HCF will prompt a review of our current policy, but under the current HCF rules our current policy is sound.

43 The Commission’s experience is that this approach, if not benefiting customers (which it does), certainly is not failing customers. In the four years since we first designated an additional ETC in rural areas, the Commission has received only two customer complaints, in which the consumers alleged that a non-rural, wireline ETC was not providing service. This record speaks for itself, and supports our practice of not seeking commitments or adding requirements as part of the ETC designation process.

44 Granting AWS’s petition also is consistent with the principles of competitive and technological neutrality. AWS offers service through technologies that Rural ILECs and other wireless carriers do not use. Consumers are better off when the government does not favor one technology over another, but instead lets consumers choose the technology, based on its own attributes (including quality of service), in comparison to the attributes of other technologies.¹³ Rural ILECs fault AWS for not including sufficient information in its petition to permit the Commission to weigh the unique advantages and disadvantages of AWS service. Based on that supposed deficiency, Rural ILECs request an adjudication to determine if AWS’s services are needed by consumers. The Commission believes consumers are better able to choose which technologies meet their needs.

¹² See *U.S. Cellular Order*, ¶¶ 31, 41, 47; *RCC Order*, ¶¶ 36, 59, 68; *Inland Order*, ¶¶ 38, 59.

¹³ The FCC stated the principle of competitive and technological neutrality is properly applied when “universal service support mechanisms and rules neither unfairly advantage nor disadvantage one provider over another, and neither unfairly favor nor disfavor one technology over another.” See *First Report & Order*, ¶ 47.

- 45 This Commission and the carriers in this state have taken significant action to prevent cream-skimming by a carrier that would obtain ETC designation but not serve the highest-cost portion of the service area. This Commission has required the disaggregation of federal support.¹⁴ As a result, a company receives a relatively small amount of per-line support for serving areas with dense population.
- 46 Rural ILECs contend that AWS may engage in cream-skimming when it seeks designation for some, but not all of the exchanges within its licensed service area. They express the concern AWS may elect ETC designation only in those exchanges with towns and highways, which would be profitable for AWS even without federal support.
- 47 The Commission does not agree with Rural ILECs. AWS has licenses and is serving customers in portions of the areas where it seeks designation. AWS already serves towns and major highways, because the investment in those locations will generate a positive return on investment.¹⁵ AWS will receive HCF support in exchanges where it is designated as an ETC, and it will receive that support only if it attracts and keeps customers. It must serve the entire exchange, not just the town or highway where it already serves profitably. In addition, the support AWS will receive will be disaggregated. AWS must

¹⁴ See *In the Matter of Disaggregation of Federal Universal Service Support of Asotin Telephone Company, CenturyTel of Cowiche, Ellensburg Telephone Company, Inland Telephone Company, Kalama Telephone Company, McDaniel Telephone Company, The Toledo Telephone Company, United Telephone Company, Western Wahkiakum County Telephone Company, Hat Island Telephone Company, Hood Canal Telephone Company, Inc., Mashel Telecom, Inc., Pend Oreille Telephone Company, Pioneer Telephone Company, St. John Telephone & Telegraph Company, Tenino Telephone Company, Whidbey Telephone Company, YCOM Networks, and Joint Petition of CenturyTel of Washington, Inc., and CenturyTel of Inter Island, Inc. (collectively CenturyTel). For approval of USF Disaggregation Plan, Order Rejecting Disaggregation Filings By Asotin Telephone Company And CenturyTel, And Directing Rural ILECs To File Disaggregation Plans With The Commission Not Later Than August 23, 2002, WUTC Docket Nos. UT-013058 and 023020 (August 2, 2002).*

¹⁵ *RCC Order*, ¶ 21.

invest its support only for universal service purposes. *47 U.S.C. 254(e)*. We note as well that AWS has sought designation in many Qwest exchanges even though there is no HCF support available to it in those exchanges. By seeking ETC designation, AWS has expanded its service obligation beyond those areas where it can serve profitably without designation.

48 Rural ILECs raise questions about specific areas where AWS has not requested designation. AWS states that it is not seeking ETC designation in areas where it does not have sufficient facilities to enable it to represent that it could meet its obligation to serve those areas. Rural ILECs fault AWS for seeking designation in areas where it may not serve every customer, and at the same time fault AWS for not requesting designation for every possible exchange. However, AWS has requested designation for 242 exchanges, and the Commission sees no reason to designate AWS to serve areas for which it has not sought designation.

49 Granting AWS's petition is consistent with state policy. ETC designation of AWS will maintain and advance the efficiency and availability of telecommunications services, ensure that customers pay reasonable rates for their services, and promote diversity in the supply of telecommunications services throughout the state. *RCW 80.36.300*.

IV. OTHER ISSUES

50 The Commission orders AWS to produce electronic maps of its licensed service areas. Production of electronic maps will assist AWS in claiming federal universal service funds to which it will become entitled. Those maps will also assist rural ILECs, the FCC (through the Universal Service Administration Company), and, if need be, this Commission, to determine the accuracy of requests for federal support that are based on customer location. AWS must prepare maps with the same standards and attributes required of rural ILECs, and its maps must be filed with the Commission, where they will be available

to rural ILECs. The availability of electronic maps from ETCs serving rural areas (including Rural ILECs, AWS, and others) will permit all interested persons to have an accurate representation of exchanges and service areas for the purpose of ensuring accurate requests for, and payment of, federal universal service support.

51 A combination of state and federal laws impose upon any designated ETC an obligation to offer reduced-price telephone service to low-income customers within the designated service area of the ETC. *47 U.S.C. § 254(i), (j); 47 C.F.R. § 54.405, 411; RCW 80.36.420; WAC 480-122-020; Chapter 388-273 WAC.* AWS acknowledges these obligations in its petition, and the commitments made by AWS in its petition are sufficient to meet the criteria for designation as an ETC. AWS will participate in the federal Lifeline and Link Up programs. *AWS Petition, ¶ 27.* In addition, AWS will offer additional discounts through the Washington Telephone Assistance Program, which is administered by the Department of Social and Health Services (DSHS). *Id. ¶ 28.* There is some uncertainty about the appropriate role of wireless carriers in the state low-income program, but AWS has committed to work with DSHS to ensure proper implementation of WTAP.

V. FINDINGS OF FACT

52 Having discussed above all matters material to our decision, and having stated general findings and conclusions, the Commission now makes the following summary findings of fact.

53 (1) 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 Company; Olympia Cellular Telephone Company, Inc.; Bellingham Cellular

Partnership and Hood River Cellular Telephone Company, Inc., subsidiary licensees of AT&T Wireless Service, Inc. (d/b/a AT&T wireless), and referred to in this order as AWS, are telecommunications companies doing business in the state of Washington.

- 54 (2) AWS currently provides service in the exchanges listed in Appendix A.
- 55 (3) AWS's petition satisfies the requirements of 47 U.S.C. § 214(e)(2).
- 56 (4) AWS offers all of the services that are to be supported by the federal universal service support mechanisms set forth in 47 C.F.R. § 54.101(a).
- 57 (5) AWS competes with rural ILECs and other telecommunications carriers in the exchanges where it serves.

VI. CONCLUSIONS OF LAW

- 58 (1) The Commission has jurisdiction over the subject matter of this petition and over AWS with respect to its designation as an ETC.
- 59 (2) The Commission is not required by the Act or by any provision of state law to hold an adjudicative proceeding or other hearing prior to designating a telecommunication carrier an ETC.
- 60 (3) Granting AWS's petition for designation as an ETC in the exchanges listed in Appendix A is consistent with the public interest, and is consistent with applicable state and federal law.
- 61 (4) Granting AWS's petition for designation as an ETC in areas served by rural telephone companies is in the public interest.

- 62 (5) Requiring AWS to create electronic maps of its licensed service areas is in
the public interest.
- 63 (6) The Commission has authority to modify, suspend, or revoke the
designations granted in this order at a future date.

VII. ORDER

64 This Order decides issues raised in a non-adjudicative proceeding. Based on
the foregoing, the Commission orders:

- 65 (1) The Commission grants the petition of 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 Company; Olympia Cellular Telephone Company,
Inc.; Bellingham Cellular Partnership and Hood River Cellular
Telephone Company, Inc., subsidiary licensees of AT&T Wireless
Service, Inc. (d/b/a AT&T Wireless), as modified by this Order. Each of
the requested designations set forth in Appendix A is granted.
- 66 (2) AWS must provide Lifeline and Link Up discounts consistent with 47
C.F.R. § 54.405 and 411.
- 67 (3) AWS must prepare electronic maps of its licensed service areas with
standards and attributes as described in the Commission's Order in
Docket No. UT-013058 and UT-023020, entered August 2, 2002.

- 68 (4) The Commission has authority to modify, suspend, or revoke these designations, including the service areas accompanying those designations, at a future date.

DATED at Olympia, Washington, and effective this 13th day of April, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

APPENDIX A

<u>SAC</u>	<u>TELEPHONE COMPANY</u>	<u>WIRE CENTER EXCHANGE</u>
522416	Verizon Northwest Inc. – WA	ANCRWAXX ANACORTES ARTNWAXX ARLINGTON BNCYWAXX BENTON CITY BOTHWAXB BOTHELL BURLWAXA BURLINGTON CMISWAXA CAMANO ISLAND CAMSWAXX CAMAS CLVWWAXA CLEARVIEW CPVLWAXX COUPEVILLE DRTNWAXX DARRINGTON DVLLWAXX DUVALL EAST EVRTWAXC EVERETT CASINO EVRTWAXF EVERETT MAIN EVRTWAXA EVERETT PRIMARY CNTR FRFDWAXA FAIRFIELD FRTNWAXX FARMINGTON GRFDWAXX GARFIELD MSCWIDXX GARRISON GERGWAXX GEORGE GRFLWAXX GRANITE FALLS HLLKWAXX HALLS LAKE JUNTWAXA JUANITA KNWCWAXB KENNEWICK MAIN KNWCWAXA KENNEWICK-HIGHLANDS KNWCWAXC KENNEWICK-MEADOW SPRINGS KRLDWAXX KIRKLAND LKGWWAXA LAKE GOODWIN LKSTWAXA LAKE STEVENS MRWYWAXA MANOR WAY MYVIWAXX MARYSVILLE MONRWAXX MONROE MTRWAXX MOUNT VERNON RCLDWAXA NORTH RICHLAND OKHRWAXX OAK HARBOR PALSWAXX PALOUSE PLMNWAXX PULLMAN QNCYWAXX QUINCY RDMDWAXA REDMOND RCLDWAXB RICHLAND RCBHWAXX RICHMOND BEACH RCFRWAXB ROCKFORD

ROSLWAXA	ROSALIA
SMSHWAXA	SAMMAMISH
SWLYWAXA	SEDRO WOOLLEY
SLLKWAXA	SILVER LAKE
SKYKWAXX	SKYKOMISH
SNHSWAXX	SNOHOMISH
SOLKWAXX	SOAP LAKE
STWDWAXX	STANWOOD
SULTWAXX	SULTAN
TEKOWAXX	TEKOA
WSHGWAXA	WASHOUGAL
WSRVWAXA	WASHOUGAL RIVER
WRLDWAXA	WEST RICHLAND
WDLDWAXA	WOODLAND

522449 Verizon Northwest Inc. –
WA

ACMEWAXA	ACME
ALGRWAXX	ALGER
BGLKWAXX	BIG LAKE
BRBAWAXA	BIRCH BAY
BLANWAXB	BLAINE
BURLWAXX	BURLINGTON
CNCRWAXX	CONCRETE
CNWWAXX	CONWAY
CSTRWAXA	CUSTER
DMNGWAXA	DEMING
EDSNWAXX	EDISON
EVSNWAXX	EVERSON
FNDLWAXA	FERNDALE
LACNWAXX	LA CONNER
LARLWAXX	LAUREL
HMTNWAXA	LYMAN
LYNDWAXX	LYNDEN
MRBLWAXX	MARBLEMOUNT
MTVRWAXX	MOUNT VERNON-CONTEL
NCHSWAXX	NACHES
NILEWAXX	NILE
SWLYWAXX	SEDRO WOOLLEY
SUMSWAXX	SUMAS

525161 Qwest Corp. – WA

AUBNWA01	AUBURN
BNISWA01	BAINBRIDGE ISLAND
BTLGWA01	BATTLEGROUND
BLFRWA01	BELFAIR
BLLVWAGL	BELLEVUE GLENCOURT
BLLVWASH	BELLEVUE SHERWOOD
BLHMWALU	BELLINGHAM LUMMI
BLHMWA01	BELLINGHAM REGENT
BDMDWA01	BLACK DIAMOND
BYLKWA01	BONNEY LAKE
BMTNWA01	BREMERTON ESSEX
BCKLWA01	BUCKLEY
CSRKWA01	CASTLE ROCK
CENLWA01	CENTRALIA
CHHLWA01	CHEHALIS
LSTNIDSH	CLARKSTON
CLELWA01	CLE ELUM
COLBWA01	COLBY
CRSBWA01	CROSBY
CRMTWA01	CRYSTAL MOUNTAIN
FDWYWA01	DES MOINES FED. WAY
DESMWA01	DES MOINES TAYLOR
ESTNWA01	EASTON
ENMCWA01	ENUMCLAW
EPHRWA01	EPHRATA
GRHMWAGR	GRAHAM
GRBLWA01	GREEN BLUFF
HDPTWA01	HOODSPORT
ISQHWAEX	ISSAQUAH
JOYCWA01	JOYCE
KENTWAME	KENT MERIDIAN
KENTWAOB	KENT O BRIEN
KENTWA01	KENT ULRICK
LACYWA01	LACEY
LBLKWA01	LIBERTY LAKE
LGVWWA02	LONGVIEW
MPVYWAMV	MAPLE VALLEY
MRISWA01	MERCER ISLAND
MSLKWAAB	MOSES LAKE AFB
MSLKWA01	MOSES LAKE ALDER
NPVNWA01	NAPAVINE
NWLKWA01	NEWMAN LAKE
OLYMWAEV	OLYMPIA EVERGREEN
OLYMWA02	OLYMPIA WHITEHALL
ORCHWA01	ORCHARDS
OTHEWA01	OTHELLO

PTANWA01	PORT ANGELES
PTLWWA01	PORT LUDLOW
PTORWAFE	PORT ORCHARD
PTTWWA01	PORT TOWNSEND
PYLPWA01	PUYALLUP
RNTNWA01	RENTON
RDFDWA01	RIDGEFIELD
ROCHWA01	ROCHESTER
ROY_WA01	ROY
STTLWA05	SEATTLE ATWATER
STTLWACA	SEATTLE CAMPUS
STTLWACH	SEATTLE CHERRY
STTLWADU	SEATTLE DUMWAMISH
STTLWA03	SEATTLE EAST
STTLWAEL	SEATTLE ELLIOTT
STTLWA04	SEATTLE EMERSON
STTLWALA	SEATTLE LAKEVIEW
STTLWA06	SEATTLE MAIN
STTLWAPA	SEATTLE PARKWAY
STTLWASU	SEATTLE SUNSET
STTLWAVE	SEATTLE WEST
SEQMWA01	SEQUIM
SHTNWA01	SHELTON
SLDLWASI	SILVERDALE
SPKNWACH	SPOKANE CHESTNUT
SPKNWafa	SPOKANE FAIRFAX
SPKNWAHD	SPOKANE HUDSON
SPKNWAKY	SPOKANE KEYSTONE
SPKNWAMO	SPOKANE MORAN
SPKNWA01	SPOKANE RIVERSIDE
SPKNWAWA	SPOKANE WALNUT
SMNRWA01	SUMNER
SNYSWA01	SUNNYSLOPE
TACMWafa	TACOMA FAWCETT
TACMWAFI	TACOMA FORT LEWIS
TACMWAGF	TACOMA GREENFIELD
TACMWAJU	TACOMA JUNIPER
TACMWALE	TACOMA LENOX
TACMWALO	TACOMA LOGAN
TACMWASY	TACOMA SKYLINE
TACMWAWA	TACOMA WAVERLY 2
TACMWAWV	TACOMA WAVERLY 7
VANCWA01	VANCOUVER
VANCWANO	VANCOUVER NORTH
WRDNWA01	WARDEN
WNLCWA01	WINLOCK
YAKMWA02	YAKIMA CHESTNUT
YAKMWAVE	YAKIMA WEST

<u>SAC</u>	<u>TELEPHONE COMPANY</u>	<u>WIRE CENTER</u>	<u>EXCHANGE</u>
522400	Sprint/United Tel. NW – WA	BCTNWAXX	BICKLETON
		BRNNWAXX	BRINNON
		CNTRWAXX	CHIMACMCTR
		CLMAWAXA	COLUMBIA
		DLPTWAXA	DALLESPORT
		GRNRWAXX	GARDINER
		GLWDWAXA	GLENWOOD
		GLDLWAXA	GOLDENDALE
		GDVWWAXA	GRANDVIEW
		GRNGWAXA	GRANGER
		HRRHWAXA	HARRAH
		LYLEWAXA	LYLE
		MBTNWAXX	MABTON
		MTWAWAXA	MATTAWA
		PASNWAXA	PATERSON
		PLSBWAXX	POULSBO
		PRSRWAXA	PROSSER
		QLCNWAXA	QUILCENE
		RSVTWAXA	ROOSEVELT
		STSNWAXA	STEVENSON
		SNSDWAXX	SUNNYSIDE
		TPNSWAXX	TOPPENISH
		TRLKWAXX	TROUT LAKE
		WPATWAXX	WAPATO
		WHSLWAXX	WH SALMON
		WHSWWAXX	WHITE SWAN
		WHTSWAXA	WHITSTRAN
		WLRDWAXX	WILLARD
		WSHRWAXA	WISHRAM
		ZLLHWAXA	ZILLAH
522404	Asotin Tel. – WA	ANATWAXX	ANATONE
		ASOTWAXA	ASOTIN
522408	Century Tel. of Washington, Inc.	ALMRWAXA	ALMIRA
		ASLKWAXA	AMES LAKE
		ARLTWAXX	ARLETTA
		ASFDWAXA	ASHFORD
		BSCTWAXX	BASIN CITY
		BLKIWAXX	BLAKELY ISLAND
		CRNTWAXX	CARNATION
		CTHLWAXA	CATHLAMET
		CHNYWAXC	CHENEY
		CLWRWAXA	CLEARWATER
		CNNLWAXA	CONNELL
		CETNWAXX	CRESTON
		ESNDWAXA	EAST SOUND

EDWLWAXA	EDWALL-TYLER
ELMAWAXA	ELMA
ELTPWAXX	ELTOPIA
FLCYWAXX	FALL CITY
FRKSWAXA	FORKS
FRHRWAXA	FRIDAY HARBOR
GGHRWAXA	GIG HARBOR
HRTNWAXA	HARRINGTON
KHLTWAXA	KAHLOTUS
KGTNWAXA	KINGSTON
LKBYWAXA	LAKEBAY
LINDWAXA	LIND
LNBHWAXA	LONG BEACH
LOPZWAXX	LOPEZ
	MATHEWS
MTCOWAXX	CORNER
MCCLWAXA	MCCLEARY
MDLKWAXX	MEDICAL LAKE
MESAWAXX	MESA
MRTNWAXX	MORTON
NBNDWAXA	NORTH BEND
VSHNWAXB	NORTH VASHON
OCPKWAXX	OCEAN PARK
ODSSWAXA	ODESSA
ORNGWAXA	ORTING
RYCYWAXA	OTHELLO
PGISWAXX	PUGET ISLAND
RRDNWAXX	REARDAN
RTVLWAXA	RITZVILLE
SNPSWAXA	SNOSQUALNIE
	PASS
SPRRWAXX	SOUTH PRAIRIE
SPNGWAXA	SPANGLE
SPRGWAXA	SPRAGUE
VADRWAXA	VADER
VSHNWAXA	VASHON
WSHTWAXA	WASHTUCNA
WLBRWAXA	WILBUR
WSCKWAXA	WILSON CREEK
YCLTWAXA	YACOLT

522410 Century Tel. of Cowiche, Inc

CWCHWAXX	COWICHE
RMRKWAXA	RIMROCK
TITNWAXX	TIETON

522412 Ellensburg Tel. Co.

ELBGWAXA	ELLENSBURG
KTTSWAXX	KITTITAS
LDDLWAXA	LAUDERDALE

		LDDLWAXA SELHWAXX THRPWAXA VNTGWAXX	LAUDERDALE SELAH THORPE VANTAGE
522417	Hat Island Tel. Co.	SWHDWAXX	HAT ISLAND
522419	Hood Canal Tel. Col, Inc.	UNINWAXB	UNION
522423	Inland Tel. Co. – WA	RSLNWAXX UNTWAXA	ROSLYN UNIONTOWN
522426	Kalama Tel. Co.	KALMWAXB	KALAMA
522427	Lewis River Telephone Co., d/b/a TDS Telecom	AMBYWAXA LACTWAXA YALEWAXX	AMBOY LA CENTER YALE
522430	McDaniel Tel. Co. dba TDS Telecom	MSRKWAXX ONLSWAXA SLKMWAXB	MOSSY ROCK ONALASKA SALKUM
522431	Mashell Telecom, Inc.	ETVLWAXA	EATONVILLE
522442	St. John Telephone and Telegraph	STJHWAXA	ST JOHN
522446	Tenino Tel. Co.	TENNWAXA	TENINO
522447	Toledo Te. Co. Inc.	TOLDWAXA	TOLEDO
522451	Western Wahkiakum County Tel. Co.	GRRVWAXA NASLWAXX	GRAYS RIVER NASELLE

522452 Whidbey Tel. Co.

PNRBWAXA
CLTNWAXA
FELDWAXA
LNGLWAXA
SWHDWAXX

POINT ROBERTS
SOUTH WHIDBEY

522453 Yelm Tel. Co.

RANRWAXA
YELMWAXA
YELMWAXB

RAINIER
YELM