

Agenda Date: July 11, 2007  
Item Number: A3

**Docket:** UT-073023  
Company Name: Sprint Nextel Corporation

Staff: Bob Shirley, Telecommunications Policy Analyst

### **Recommendation**

- (1) Modify the designation of Sprint Nextel Corporation (Sprint) as an eligible telecommunications carrier (ETC) for the exchanges listed in Appendix A<sup>1</sup> to this memorandum;
- (2) Designate Sprint as an ETC for the exchanges listed in Appendix B<sup>2</sup> to this memorandum; and
- (3) Grant for two years a partial exemption from WAC 480-123-030(1)(g) and WAC 480-123-070(6) subject to conditions.

### **Background**

*Sprint's petition.* Sprint filed a petition on May 7, 2007 asking the Commission to modify its current ETC designation. In its filing Sprint seeks to expand its ETC designation by increasing the scope of its former designations to entire exchanges in place of the combination of complete and partial exchange designations. It also asks for ETC designation for 18 additional exchanges, and requests an exemption from the 4-hour battery backup required in WAC 480-123-030(1)(g) and 480-123-070(6) for cell sites that were part of the former-Nextel network. Sprint included in its filing confidential information describing the location and types of projects in which Sprint will invest increased support as a result of the new and altered designations.

*Sprint's ETC status and network.* Sprint and Nextel, both wireless providers, merged in 2005. At the time of the merger, Sprint had been designated an ETC<sup>3</sup> for all or part of 56 Qwest exchanges; all or part of 49 Verizon exchanges; all or part of 24 Embarq exchanges; all or part of 38 CenturyTel exchanges; and all or part of 22 exchanges served by rural telephone companies. The designations were based in part on a determination that designation served the public interest.

Since the merger, Sprint has collected universal service support based on Washington customers served by the pre-merger Sprint, but has not collected support based on service provided in ETC service areas to customers of the former Nextel.

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<sup>1</sup> There are 250 exchanges in Appendix A; 60 exchanges are served by incumbent rural telephone companies, and 190 exchanges are served by incumbent non-rural telephone companies.

<sup>2</sup> There are 18 exchanges; six exchanges are served by incumbent rural telephone companies, and 12 are served by incumbent non-rural telephone companies.

<sup>3</sup> See Dockets UT-[031558](#) and UT-[043120](#).

The pre-merger Sprint network meets the requirement to have four hours of battery back-up at its cell sites with only one exception,<sup>4</sup> but the Nextel network was constructed with two hours of battery back-up power for many cell sites. Because the commission requires four hours of battery back-up power at cell sites, that portion of Sprint's network composed of the former Nextel cell sites with less than four hours of battery back-up power is not in compliance with WAC 480-123-030(1)(g) and WAC 480-123-070(6).<sup>5</sup>

*Opposition to designation.* The Washington Independent Telephone Association (WITA) commented in opposition to Sprint's petition for designation as an ETC, and in opposition to an exemption from the battery back-up power requirements. WITA states that Sprint's argument that designation is in the public interest "should be taken with a large grain of salt."

In support of its opposition, WITA states that small, incumbent, rural telephone companies in Virginia have filed a petition at the Federal Communications Commission (FCC) in an effort to have Sprint's ETC designation in Virginia revoked. WITA's comments state the petition does not prove the underlying facts of Sprint's failure to invest in rural Virginia, but that the petition has been filed at all calls into question Sprint's commitment to investment in rural Virginia.

In addition, WITA cites two empirical studies it claims call into question whether it is in the public interest to designate wireless carriers as ETCs. One study concludes that subsidies given to wireless ETCs do not create incentives for wireless carriers to invest in rural areas. The other study, according to WITA, demonstrates there is only a minor increase in wireless coverage in rural areas as a result of universal service support.

WITA claims Sprint's plans for investing the increased universal service support would result in investment in areas served by non-rural carriers in about equal proportion to investment in areas served by rural carriers.

WITA opposes the exemption from the battery back-up power requirement and states there is no reason for Sprint to be permitted to operate with less than the required four hours of battery power. WITA also cites the FCC's recent order and rule that states CMRS providers "should" maintain eight hours of emergency back-up power for cell sites. WITA contends the rule sets a standard that Sprint is required to meet and therefore

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<sup>4</sup> The commission granted a temporary exemption from the battery back-up rule for this one cell site. See UT-063066.

<sup>5</sup> The FCC has adopted a back-up power requirement that may be more stringent than the commission's. The FCC order and rule state CMRS providers "should" maintain eight hours of back-up power for cell sites. Some have interpreted the rule as aspirational. It is not clear if the availability of towed generators will satisfy the FCC requirement. If the FCC requirement is for on-site, back-up power at each cell site, then Sprint and other wireless carriers will have to increase the power available at cell sites beyond what the commission requires. See *In the Matter of Recommendations of the Independent Panel Reviewing the Impact of Hurricane Katrina on Communications Networks*, EB Docket No. 06-119 and WC Docket No. 06-63 (rel. June 8, 2007), ¶ 77, and 47 U.S.C. § 12.2.

Sprint should not receive an exemption from a lower state standard now that the federal standard, in WITA's view, has been set higher.

### **Discussion**

*The USF program.* Telecommunications carriers petition for ETC designation to become eligible to receive federal universal service support. The FCC determines the amount of support each ETC will receive. Federal support provides funds for the provision, maintenance, and upgrading of facilities and services. Support may be used to serve single and multi-line business and residential customers. Support may also be used to purchase equipment that is used to provide advanced services if the equipment is also used to provide basic service.<sup>6</sup>

Incumbent rural telephone companies receive support based primarily on investment throughout their network. Incumbent non-rural telephone companies draw from a capped fund and the amount received depends on the number of lines served in areas known as unbundled network element rate zones (or UNE zones). All other ETCs in Washington receive disaggregated support based on the location of customers. For these other ETCs, the amount of support is relatively lower for service in densely populated areas and relatively higher for service provided in sparsely populated areas. While support amounts are a function of the number of customers served in a given area and the population density of the area, Washington rules do not require support to be spent proportionally in areas that account for the level of support payments.<sup>7</sup>

While support is paid from the federal fund to designated companies, “[u]niversal service is intended to benefit customers, not companies.”<sup>8</sup> The commission designates companies to benefit customers.

The standard for determining whether to approve a petition for ETC designation is in WAC 480-123-040: “The commission will approve a petition for designation as an ETC if the petition meets the requirements of WAC 480-123-030, the designation will advance some or all of the purposes of universal service found in 47 U.S.C. § 254, and the designation is in the public interest.” This standard incorporates the requirement that petitioners offer, or will offer, the federally required services and meet the standards in WAC 480-123.

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<sup>6</sup> Access to advanced services is one of the principles the Federal-State Joint Board on Universal Service (Joint Board) and the FCC are to use as a basis for developing policies for universal service. 47 U.S.C. § 254(b)(2) and (3).

<sup>7</sup> In the ETC rulemaking docket, no company or organization advocated a rule requiring investment be targeted to the exchange with characteristics that generated a particular amount of support. That was likely due to recognition by all that a network is necessary to provide service. See Docket No. UT-053021.

<sup>8</sup> *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, ¶ 62 (citing *Washington Ind. Tel. Ass'n*, 110 Wn.App. at 510 (citing *Alenco Communications Inc. v. Federal Communications Comm'n*, 201 F.3d 608, 621 (5th Cir. 2000))).

*ETC Designation.* The effect of granting Sprint's petition would be to increase the area where Sprint must both offer its services and advertise the availability of its services and also would increase the number of customers for which Sprint may claim support.

As a result of the broader designations, Sprint will be eligible to receive more federal support. Sprint has provided confidential information describing the location and types of projects in which Sprint will invest the support. The benefit to the public will be an increase in coverage and capacity in Sprint's network in areas served by rural and non-rural incumbent wireline carriers, which are also areas where other wireless ETCs compete with Sprint.

WITA's opposition to an expanded ETC designation for Sprint appears to focus on doubts that it will result in increased telecommunications services in rural areas, as Sprint claims.

Based on the studies submitted by WITA, WITA also asserts the funds provided to Sprint are not necessary to ensure the provision of wireless service in rural areas, and WITA asserts Sprint will not use all of the anticipated increased federal support increased in areas served by WITA members. However, the two studies WITA submitted are both based on data that appears to be erroneous, and they do not account for the effect of disaggregation of federal support.

In the study labeled "Exhibit 3" by WITA, figure three contains a map that is erroneous for both Oregon and Washington in its representation of geographic service areas with both wireline and wireless non-incumbent ETCs. For Washington, the map fails to show the existence of the location where there is both a non-incumbent wireless ETC and non-incumbent wireline ETC;<sup>9</sup> and for Oregon the map shows the existence of a non-incumbent wireline ETC where there was an ETC that drew only from the low-income fund.<sup>10</sup> Commission staff cannot say whether information about all other states relied on by the author is accurate or inaccurate.

The studies also do not discuss the effects of disaggregation of federal support on the amount of support received by non-incumbent ETCs in locations where customer revenue is small in comparison to costs to provide service. Washington has taken all the steps permitted by FCC rule to ensure non-incumbent ETCs obtain federal support in amounts that reflect the rural nature of exchanges served.

The studies submitted by WITA also point out that Verizon Wireless, a non-ETC, serves in many rural areas and the studies claim that this demonstrates subsidies are not necessary to ensure the availability of wireless service for rural residents. This is not a revelation; the existence of unsubsidized wireless service in areas where there are now

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<sup>9</sup> Hood Canal Telephone Company is the wireline ETC that competes with Qwest in three exchanges where Qwest is the incumbent ETC.

<sup>10</sup> Staff from the Oregon Commission wrote in response to an e-mail from commission staff that "Criterion Economics' information appears to be incorrect and somewhat misleading."

non-incumbent, wireless ETCs has been the case in Washington since 1997. The existence of Verizon Wireless service is also not a revelation at the federal level. The FCC knew there were unsubsidized wireless providers when, in 2000, it altered its rules to allow equal support for wireless carriers. What the studies do not discuss is the use by carriers like Verizon Wireless of roaming agreements with wireless ETCs that provide service in rural areas. Roaming agreements with wireless ETCs make “nationwide” service possible.

The FCC’s purpose in authorizing federal support for wireless carriers is to provide for competitive and technological neutrality in competition between incumbent and non-incumbent ETCs, and to support all lines that serve subsidized customers.<sup>11</sup> The commission has also favored support for all lines, not a single line per subscriber.<sup>12</sup>

One result of federal support for wireless carriers is increased availability of wireless signals at greater strength in rural Washington. The benefit is available to urban customers as well as rural ones because the improved rural networks serve urban customers who travel in rural areas as a result of roaming agreements between such carriers as Verizon Wireless and USCC. That is, the availability of rural networks operated by ETCs like USCC permit “nationwide” carriers to offer nationwide service by using the rural wireless networks improved with federal support.

Commission staff agrees with WITA that Sprint’s immediate plans for more investment include plans to invest in areas served by non-rural telephone companies as well as rural companies. Sprint’s plans are consistent with federal and state rules that do not limit the locations in which ETCs must invest, but prescribe that the investment be for the provision, maintenance, and upgrading of facilities and services.<sup>13</sup> Sprint is an ETC in urban exchanges as well as rural exchanges.

Commission staff concludes increased support for investment in basic service is in the public interest even if the result is an increase in the size of the federal high-cost fund. Commission staff reaches this conclusion based on our assumption the FCC is aware of the effect of its rules which in the last five years have resulted in increased support for

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<sup>11</sup> 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.” In the Matter of Federal-State Joint Board on Universal Service, CC Docket 96-45, Report and Order, 12 FCC Rcd 8776, ¶ 47 (1997).

<sup>12</sup> “Rural ILECs are correct that current FCC rules do not decrease support for one ETC if an additional ETC is added. We take the FCC rules as we find them, and that includes its determination (with which we agree) that support should be provided for all lines, regardless of which carrier provides them or the technology used to provide the service. Concern about a cap or restructuring of the federal universal service fund is speculative at best.” *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, ¶ 66 (August 14, 2002) (Noting the FCC has addressed the false choice between universal service and competition.)

<sup>13</sup> See note 7, *supra*.

ETCs and consequent growth in the size of the federal fund.<sup>14</sup> As commission staff stated in its memo on WITA's petition for moratorium, commission staff considers the fund size issue to be an FCC issue, consistent with statements of the commission.<sup>15</sup>

Commission staff believes the increased number and scope of designations will advance the purposes of universal service, and is in the public interest, because the result will be an increase in coverage and capacity as federal support is invested, and because competition with other carriers will increase as coverage and capacity are increased.

*Exemption for Battery Back-Up Power.* Sprint has asked for exemptions from the commission's battery back-up power standard for one cell site associated with the former Sprint network and for 26 percent of the cell sites that were operated by Nextel prior to the merger. After discussions with Sprint, Commission staff recommended Sprint exclude from its exemption request those former Nextel cell sites that are coverage sites and those cell sites that serve public safety locations (e.g., fire stations, hospitals), and that Sprint request up to two years to increase the back-up power for those sites for which it does not request an exemption. Commission staff's recommendation would result in Sprint receiving the same exemption from this rule as Cingular received in January. Sprint agreed to the recommendation. The cell sites operating on an exemption under terms identical to Cingular's will equal 22 percent of the total former Nextel cell sites.

### **Summary**

Commission staff recommends that it is in the public interest for the commission to:

- (1) Modify the designation of Sprint Nextel Corporation (Sprint) as an eligible telecommunications carrier (ETC) for the exchanges listed in Appendix A to this memorandum;
- (2) Designate Sprint as an ETC for the exchanges listed in Appendix B to this memorandum; and
- (3) Grant for two years a partial exemption from WAC 480-123-030(1)(g) and WAC 480-123-070(6) subject to conditions.

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<sup>14</sup> There is a recent proposal from the Joint Board which, if followed by the FCC, would limit the size of the high-cost fund and thus Sprint's increased participation in the federal universal service program would not increase the size of the fund, but would reduce the share of support received by other non-incumbent ETCs.

<sup>15</sup> See, for e.g., *In the Matter of the Petition of Sprint Corporation for Designation as an Eligible Telecommunications Carrier*, Docket No. UT-043120, Order No. 01 (Corrected) (Jan. 27, 2005), ¶ 42 (“...[T]he decision before us is whether to limit altogether Sprint PCS's access to federal [High Cost Fund] HCF support by denying it ETC designation or to designate Sprint PCS as an ETC and let the FCC adjust support amounts if the revenue replacement provided by the HCF is providing more than sufficient support to ETCs. The FCC is in the better position to adjust either HCF support or PCS licenses if the FCC decides that it is necessary to do so.”)

Table 1

**Battery and Other Power for Former Nextel Cell Sites**

| <b>Class<sup>16</sup></b> | <b>% of Total Cell Sites<sup>17</sup></b> | <b>% of Class Cell Sites with 4+ Hours Battery Power</b> | <b>% of Class Cell Sites with 4+ Hours of Battery Back-Up or Generator</b> | <b>% of Class Cell Sites Planned to Have 4+ Hours of Back-Up Power</b> | <b>% of Class Cell Sites Exempt from 4+ Hour Back-Up Battery or Other Power</b> |
|---------------------------|---|--|--|--|---|
|                           |   |  |  |  |   |
| 1                         | 15%                                       | 39%  | 59%  | 100%   | 0%  |
| 2                         | 7%  | 36%  | 69%  | 100%   | 0%  |
| 3                         | 77%                                       | 72%  | 73%  | 78%  | 22%   |

<sup>16</sup> Class 1 Sites (Critical Sites). Class 1 serve locations deemed vital in response to emergency situations. These locations include for example key public safety and emergency operations centers, airports, stadiums/arenas and network facilities

<sup>17</sup> The total of 99 percent in this column is a result of rounding. This table reflects only former (or pre-merger) Nextel Communications cell sites.

**Appendix A**

| <b>ILEC</b>                     | <b>EXCHANGE</b>   |
|---------------------------------|-------------------|
| QWEST CORPORATION               | ABERDEEN-HOQUIAM  |
| VERIZON NORTHWEST INC.          | ACME              |
| VERIZON NORTHWEST INC.          | ALGER             |
| CENTURYTEL OF WASHINGTON INC.   | AMES LAKE         |
| VERIZON NORTHWEST INC. -WA      | ANACORTES         |
| CENTURYTEL OF WASHINGTON INC.   | ARLETTA           |
| VERIZON NORTHWEST INC. -WA      | ARLINGTON         |
| CENTURYTEL OF WASHINGTON INC.   | ASHFORD           |
| ASOTIN TELEPHONE CO.            | ASOTIN            |
| QWEST CORPORATION               | AUBURN            |
| QWEST CORPORATION               | BAINBRIDGE ISLAND |
| CENTURYTEL OF WASHINGTON INC.   | BASIN CITY        |
| QWEST CORPORATION               | BATTLE GROUND     |
| QWEST CORPORATION               | BELFAIR           |
| QWEST CORPORATION               | BELLEVUE          |
| QWEST CORPORATION               | BELLINGHAM        |
| VERIZON NORTHWEST INC. -WA      | BENTON CITY       |
| UNITED TELEPHONE-NORTHWEST      | BICKLETON         |
| VERIZON NORTHWEST INC.          | BIG LAKE          |
| QWEST CORPORATION               | BLACK DIAMOND     |
| VERIZON NORTHWEST INC.          | BLAINE            |
| CENTURYTEL OF INTER-ISLAND INC. | BLAKELY           |
| VERIZON NORTHWEST INC. -WA      | BOTHELL           |
| QWEST CORPORATION               | BREMERTON         |
| QWEST CORPORATION               | BUCKLEY           |
| VERIZON NORTHWEST INC. -WA      | BURLINGTON        |
| VERIZON NORTHWEST INC. -WA      | CAMAS             |
| VERIZON NORTHWEST INC. -WA      | CAMAS-WASHOUGAL   |
| CENTURYTEL OF WASHINGTON INC.   | CARNATION         |
| VERIZON NORTHWEST INC. -WA      | CASHMERE          |
| QWEST CORPORATION               | CASTLE ROCK       |
| QWEST CORPORATION               | CENTRALIA         |
| QWEST CORPORATION               | CHEHALIS          |
| CENTURYTEL OF WASHINGTON INC.   | CHENEY            |
| UNITED TELEPHONE-NORTHWEST      | CHIMACUM          |
| QWEST CORPORATION               | CLE ELUM          |
| QWEST CORPORATION               | COLFAX            |
| UNITED TELEPHONE-NORTHWEST      | COLUMBIA          |
| VERIZON NORTHWEST INC.          | CONWAY            |
| QWEST CORPORATION               | COPALIS           |
| VERIZON NORTHWEST INC. -WA      | COUPEVILLE        |
| CENTURYTEL OF WASHINGTON INC.   | CURTIS            |



| <b>ILEC</b>                     | <b>EXCHANGE</b> |
|---------------------------------|-----------------|
| VERIZON NORTHWEST INC.          | CUSTER          |
| UNITED TELEPHONE-NORTHWEST      | DALLESFORT      |
| QWEST CORPORATION               | DEER PARK       |
| VERIZON NORTHWEST INC.          | DEMING          |
| QWEST CORPORATION               | DES MOINES      |
| CENTURYTEL OF INTER-ISLAND INC. | EAST SOUND      |
| QWEST CORPORATION               | EASTON          |
| MASEHLL TELECOM, INC.           | EATONVILLE      |
| VERIZON NORTHWEST INC.          | EDISON          |
| CENTURYTEL OF WASHINGTON INC.   | EDWALL-TYLER    |
| QWEST CORPORATION               | ELK             |
| ELLENSBURG TELEPHONE CO.        | ELLENSBURG      |
| CENTURYTEL OF WASHINGTON INC.   | ELMA            |
| CENTURYTEL OF WASHINGTON INC.   | ELTOPIA         |
| QWEST CORPORATION               | ENUMCLAW        |
| QWEST CORPORATION               | EPHRATA         |
| CENTURYTEL OF WASHINGTON INC.   | EUREKA          |
| VERIZON NORTHWEST INC. -WA      | EVERETT         |
| CENTURYTEL OF WASHINGTON INC.   | FALL CITY       |
| VERIZON NORTHWEST INC.          | FRENDALE        |
| CENTURYTEL OF INTER-ISLAND INC. | FRIDAY HARBOR   |
| UNITED TELEPHONE-NORTHWEST      | GARDINER        |
| VERIZON NORTHWEST INC. -WA      | GEORGE          |
| CENTURYTEL OF WASHINGTON INC.   | GIG HARBOR      |
| QWEST CORPORATION               | GRAHAM          |
| UNITED TELEPHONE-NORTHWEST      | GRANDVIEW       |
| UNITED TELEPHONE-NORTHWEST      | GRANGER         |
| VERIZON NORTHWEST INC. -WA      | GRANITE FALLS   |
| VERIZON NORTHWEST INC.          | GRAYLAND        |
| QWEST CORPORATION               | GREEN BLUFF     |
| VERIZON NORTHWEST INC. -WA      | HALLS LAKE      |
| UNITED TELEPHONE-NORTHWEST      | HARRAH          |
| HAT ISLAND TELEPHONE CO.        | HAT ISLAND      |
| QWEST CORPORATION               | HOODSPORT       |
| QWEST CORPORATION               | ISSAQUAH        |
| KALAMA TELEPHONE CO.            | KALAMA          |
| VERIZON NORTHWEST INC. -WA      | KENNEWICK       |
| QWEST CORPORATION               | KENT            |
| CENTURYTEL OF WASHINGTON INC.   | KINGSTON        |
| VERIZON NORTHWEST INC. -WA      | KIRKLAND        |
| ELLENSBURG TELEPHONE CO.        | KITTITAS        |
| LEWIS RIVER TELEPHONE COMPANY   | LACENTER        |
| VERIZON NORTHWEST INC.          | LACONNER        |
| CENTURYTEL OF WASHINGTON INC.   | LAKE QUINAULT   |
| CENTURYTEL OF WASHINGTON INC.   | LAKEBAY         |
| VERIZON NORTHWEST INC.          | LAUREL          |

| <b>ILEC</b>                   | <b>EXCHANGE</b>       |
|-------------------------------|-----------------------|
| VERIZON NORTHWEST INC. -WA    | LEAVENWORTH           |
| QWEST CORPORATION             | LIBERTY LAKE          |
| CENTURYTEL OF WASHINGTON INC. | LIND                  |
| QWEST CORPORATION             | LONGVIEW              |
| UNITED TELEPHONE-NORTHWEST    | LYLE                  |
| VERIZON NORTHWEST INC.        | LYNDEN                |
| UNITED TELEPHONE-NORTHWEST    | MABTON                |
| QWEST CORPORATION             | MAPLE VALLEY          |
| VERIZON NORTHWEST INC. -WA    | MARYSVILLE            |
| CENTURYTEL OF WASHINGTON INC. | MATHEWS CORNER        |
| UNITED TELEPHONE-NORTHWEST    | MATTAWA               |
| CENTURYTEL OF WASHINGTON INC. | MCCLEARY              |
| CENTURYTEL OF WASHINGTON INC. | MEDICAL LAKE          |
| CENTURYTEL OF WASHINGTON INC. | MESA                  |
| VERIZON NORTHWEST INC. -WA    | MONROE                |
| CENTURYTEL OF WASHINGTON INC. | MONTESANO             |
| QWEST CORPORATION             | MOSES LAKE            |
| VERIZON NORTHWEST INC. -WA    | MOUNT VERNON          |
| QWEST CORPORATION             | NEWMAN LAKE           |
| CENTURYTEL OF WASHINGTON INC. | NORTH BEND            |
| VERIZON NORTHWEST INC. -WA    | OAK HARBOR            |
| CENTURYTEL OF WASHINGTON INC. | OCOSTA                |
| QWEST CORPORATION             | OLYMPIA               |
| MCDANIEL TELEPHONE COMPANY    | ONALASKA              |
| CENTURYTEL OF WASHINGTON INC. | ORTING                |
| QWEST CORPORATION             | PASCO                 |
| UNITED TELEPHONE-NORTHWEST    | PATERSON              |
| QWEST CORPORATION             | PORT ANGELES          |
| QWEST CORPORATION             | PORT LUDLOW           |
| QWEST CORPORATION             | PORT ORCHARD          |
| WHIDBEY TELEPHONE CO.         | PORT ROBERTS(LANGLEY) |
| QWEST CORPORATION             | PORT TOWNSEND         |
| UNITED TELEPHONE-NORTHWEST    | POULSBO               |
| UNITED TELEPHONE-NORTHWEST    | PROSSER               |
| VERIZON NORTHWEST INC. -WA    | PULLMAN               |
| QWEST CORPORATION             | PUYALLUP              |
| UNITED TELEPHONE-NORTHWEST    | QUILCENE              |
| VERIZON NORTHWEST INC. -WA    | QUINCY                |
| YCOM NETWORKS, INC.           | RAINIER               |
| CENTURYTEL OF WASHINGTON INC. | REARDAN               |
| QWEST CORPORATION             | RENTON                |
| VERIZON NORTHWEST INC. -WA    | RICHLAND              |
| VERIZON NORTHWEST INC. -WA    | RICHMOND BEACH        |
| QWEST CORPORATION             | RIDGEFIELD            |
| CENTURYTEL OF WASHINGTON INC. | RITZVILLE-BENGE       |
| QWEST CORPORATION             | ROCHESTER             |

| <b>ILEC</b>                   | <b>EXCHANGE</b> |
|-------------------------------|-----------------|
| UNITED TELEPHONE-NORTHWEST    | ROOSEVELT       |
| VERIZON NORTHWEST INC. -WA    | ROSALIA         |
| INLAND TELEPHONE CO.          | ROSLYN          |
| QWEST CORPORATION             | ROY             |
| CENTURYTEL OF WASHINGTON INC. | ROYAL CITY      |
| MCDANIEL TELEPHONE COMPANY    | SALKUM          |
| QWEST CORPORATION             | SEATTLE         |
| VERIZON NORTHWEST INC. -WA    | SEDRO WOOLLEY   |
| ELLENSBURG TELEPHONE CO.      | SELAH           |
| QWEST CORPORATION             | SEQUIM          |
| QWEST CORPORATION             | SHELTON         |
| VERIZON NORTHWEST INC. -WA    | SILVER LAKE     |
| QWEST CORPORATION             | SILVERDALE      |
| VERIZON NORTHWEST INC. -WA    | SNOHOMISH       |
| CENTURYTEL OF WASHINGTON INC. | SNOQUALMIE PASS |
| VERIZON NORTHWEST INC. -WA    | SOAP LAKE       |
| CENTURYTEL OF WASHINGTON INC. | SOUTH PRAIRIE   |
| WHIDBEY TELEPHONE CO.         | SOUTH WHIDBEY   |
| CENTURYTEL OF WASHINGTON INC. | SPANGLE         |
| QWEST CORPORATION             | SPOKANE         |
| CENTURYTEL OF WASHINGTON INC. | SPRAGUE         |
| ST. JOHN TELEPHONE CO.        | ST JOHN         |
| VERIZON NORTHWEST INC. -WA    | STANWOOD        |
| UNITED TELEPHONE-NORTHWEST    | STEVENSON       |
| VERIZON NORTHWEST INC. -WA    | SULTAN          |
| QWEST CORPORATION             | SUMNER          |
| QWEST CORPORATION             | SUNNYSLOPE      |
| QWEST CORPORATION             | TACOMA          |
| TENINO TELEPHONE CO.          | TENINO          |
| ELLENSBURG TELEPHONE CO.      | THORP           |
| TOLEDO TELEPHONE CO. INC.     | TOLEDO          |
| UNITED TELEPHONE-NORTHWEST    | TOPPENISH       |
| HOOD CANAL TELEPHONE CO.      | UNION           |
| INLAND TELEPHONE CO.          | UNIONTOWN       |
| CENTURYTEL OF WASHINGTON INC. | VADER           |
| QWEST CORPORATION             | VANCOUVER       |
| ELLENSBURG TELEPHONE CO.      | VANTAGE         |
| CENTURYTEL OF WASHINGTON INC. | VASHON          |
| QWEST CORPORATION             | WALLA WALLA     |
| UNITED TELEPHONE-NORTHWEST    | WAPATO          |
| QWEST CORPORATION             | WARDEN          |
| VERIZON NORTHWEST INC. -WA    | WENATCHEE       |
| VERIZON NORTHWEST INC.        | WESTPORT        |
| UNITED TELEPHONE-NORTHWEST    | WHITE SALMON    |
| UNITED TELEPHONE-NORTHWEST    | WHITE SWAN      |
| UNITED TELEPHONE-NORTHWEST    | WHITSTRAN       |

| <b>ILEC</b>                   | <b>EXCHANGE</b> |
|-------------------------------|-----------------|
| CENTURYTEL OF WASHINGTON INC. | WILSON CREEK    |
| QWEST CORPORATION             | WINLOCK         |
| UNITED TELEPHONE-NORTHWEST    | WISHRAM         |
| VERIZON NORTHWEST INC. -WA    | WOODLAND        |
| QWEST CORPORATION             | YAKIMA          |
| QWEST CORPORATION             | YAKIMA          |
| YCOM NETWORKS, INC.           | YELM            |
| UNITED TELEPHONE-NORTHWEST    | ZILLAH          |

**Appendix B**

| <b>ILEC</b>                    | <b>EXCHANGE</b>   |
|--------------------------------|-------------------|
| UNITED TELEPHONE - NORTHWEST   | BRINNON           |
| VERIZON NORTHWEST INC.         | CHELAN            |
| CENTURYTEL OF WASHINGTON, INC. | CONNELL           |
| CENTURYTEL OF COWICHE, INC.    | COWICHE           |
| VERIZON NORTHWEST INC.         | ENTIAT            |
| UNITED TELEPHONE - NORTHWEST   | GOLDENDALE        |
| ELLENSBURG TELEPHONE CO.       | LAUDERDALE        |
| VERIZON NORTHWEST INC.         | MANSON            |
| VERIZON NORTHWEST INC.         | NACHES            |
| VERIZON NORTHWEST INC.-WA      | NEWPORT           |
| QWEST CORPORATION              | OTHELLO           |
| QWEST CORPORATION              | PATEROS           |
| CENTURYTEL OF COWICHE, INC.    | RIMROCK           |
| VERIZON NORTHWEST INC.         | SUMAS             |
| CENTURYTEL OF COWICHE, INC.    | TIETON            |
| VERIZON NORTHWEST INC.-WA      | WATERVILLE        |
| UNITED TELEPHONE - NORTHWEST   | WILLARD           |
| YCOM NETWORKS, INC.            | YELM (Bald Hills) |