

EXHIBIT "H"



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AUG 29 2011

*Via First Class Mail*

August 26, 2011

James Brooks  
Inland Cellular Telephone Company  
103 S. 2<sup>nd</sup> St.  
P.O. Box 688  
Roslyn, WA 98941

Re: Response to Letter of Inquiry Regarding Inland Cellular Telephone Company's  
Receipt of Universal Service Support

Dear Mr. Brooks:

This letter responds to your letter dated August 5, 2011, concerning disbursements to Inland Cellular Telephone Company (ICTC) operations in the states of Washington and Idaho. Specifically, ICTC addresses potential eligibility discrepancies between orders granted by both the Washington Utilities and Transportation Commission (WUTC) and the Idaho Public Utility Commission (IPUC) and eligibility as used for USAC High Cost Program disbursement purposes.

**Washington:**

**Asotin Telephone & the Anatone Wire Center:**

On August 30, 2002, the WUTC granted a petition filed by ICTC to become an eligible telecommunications carrier (ETC) in several rural and non-rural incumbent carriers throughout the state of Washington<sup>1</sup> listed in Exhibit A of the Order. Among the incumbent carriers listed in Exhibit A is the Asotin Telephone Company (study area code (SAC) 522404) and the two exchanges of Asotin and Anatone, with a distinction that ICTC was designated in a partial piece of the Anatone wire center.

As discussed in your August 5, 2011 letter, ICTC maintains that the Anatone exchange was marked "partial" in error, thereby entitling the company to High Cost Program support retroactive to the WUTC ETC Order date. Before USAC recognizes eligibility in the Anatone wire center, the WUTC must confirm that the partial wire center designation was made in error and issue an erratum to the original August 2002 Order stating that

<sup>1</sup> See *In the matter of the Petition of Inland Cellular for Designation as an Eligible Telecommunications Carrier*, WUTC Docket # UT-023040, 08/30/2002.

## EXHIBIT "H" Page 2

James Brooks  
Inland Cellular Telephone Company  
August 26, 2011  
Page 2 of 3

ICTC is an ETC in the entirety of the Anatone exchange. Upon the WUTC's eligibility clarification, USAC will grant ICTC eligibility in the Anatone exchange.

### Partial Wire Center Eligibility Other than the Anatone Exchange:

While rural incumbent carriers in Washington were historically redefined at the wire center level, additional redefinition of incumbent carrier service areas below the wire center requires concurrence by the FCC under FCC rule 54.207. The WUTC Order dated October 12, 2005<sup>2</sup> that removed ICTC's requirement to petition the FCC for concurrence prior to receiving an ETC designation in partially served wire centers was a unilateral declaration and does not exempt ICTC from complying with the FCC's redefinition rules. Additionally, the WUTC Order conflicts with FCC precedent established in the *Highland Cellular ETC Designation Order*<sup>3</sup> and confirmed in FCC 05-46<sup>4</sup> in which the FCC "concluded that designating an ETC for only a portion of a wire center served by a rural incumbent LEC would be inconsistent with the public interest" and went on to state that a "rural telephone company's wire center is the appropriate minimum geographic area for ETC designation..."

ICTC must still seek FCC concurrence to receive an ETC designation in the remaining partially served wire centers listed in the 2002 WUTC Order. Without a petition for redefinition filed with the FCC and subsequent FCC concurrence, High Cost Program support for lines filed in the partial wire center will not be forthcoming.

### Idaho:

ICTC petitioned the IPUC for eligible telecommunications carrier designation in certain non-rural wire centers of two incumbent carriers (Frontier Northwest Inc., formerly known as Verizon Northwest, Inc., (SAC 472416), and Qwest, (SAC 475162) listed in Exhibit B of ICTC's petition. In its Order dated December 28, 2006<sup>5</sup>, the IPUC granted ICTC ETC status in the listed wire centers of Frontier Northwest and Qwest listed in Exhibit B. The petition and Order, however, mischaracterized the Frontier Northwest, Inc. and Qwest study areas by listing these incumbent carriers as non-rural. These two ILEC are, in fact, rural study areas. USAC processed ICTC's eligibility consistent with the correct rural status of these two incumbent carriers.

As requested in your letter, USAC confirms that the wire centers listed in Exhibit B of the IPUC ETC Order for ICTC for SAC 472416 are within the Frontier Northwest, Inc.

<sup>2</sup> See *In the matter of the Petition of Inland Cellular for Designation as an Eligible Telecommunications Carrier*, WUTC Docket # UT-023040, Order No. 2, 10/12/2005.

<sup>3</sup> See *In the matter of Federal-State Joint Board on Universal Service Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia (Highland Cellular ETC Designation Order)*, FCC 04-37, 04/12/2004.

<sup>4</sup> See *Federal-State Joint Board on Universal Service*, FCC 05-46, para. 77, 03/17/2005.

<sup>5</sup> See *In the matter of the Petition of Inland Cellular Telephone Company for Designation as an Eligible Telecommunications Carrier*, Case No. INC-T-06-02, Order No. 30212, 12/28/2006.

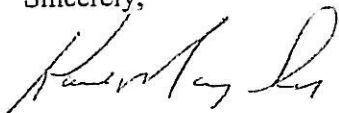
EXHIBIT "H" Page 3

James Brooks  
Inland Cellular Telephone Company  
August 26, 2011  
Page 3 of 3

study area. However, ICTC does not serve the entirety of the Frontier Northwest, Inc. and redefinition of the study area must be proposed and deemed approved by the FCC prior to ICTC's receipt of High Cost Program support for lines filed in the study area. Consistent with the wire centers listed in Appendix B for Qwest, SAC 475162, ICTC serves all wire centers within the Qwest study area. As such, no redefinition is required and ICTC is eligible to receive support. Based on USAC's review of ICTC's FCC Form 525 line count filing, no lines have been filed in the Qwest study area to date and no support has been paid.

In conclusion, there are no actions that USAC can pursue at this time in ICTC's operation in Washington without the WUTC's eligibility clarification for the Anatone wire center or the FCC's concurrence in redefining the partial wire centers contained in Exhibit A of ICTC's Washington ETC designation Order. Similarly, there are no actions that USAC can pursue in ICTC's Idaho operation without the FCC's concurrence in the redefinition of the Frontier Northwest, Inc. study area for which ICTC is partially eligible.

Sincerely,



Karen Majcher  
Vice President  
High Cost and Low Income Division