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July 23, 2007

Ms. Carole Washburn  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Dr SW  
PO Box 47250  
Olympia, WA 98504-7250

Re: UT-073032 WITA Petition for Moratorium

Dear Ms. Washburn:

At the Commission's Open Public Meeting, on July 11, 2007, the Commission heard testimony in Docket Nos. UT-073023, -073024, and -073032, which are matters involving the ETC petitions of Sprint-Nextel Corporation, Eltopia Communications, LLC, and the Washington Independent Telephone Association (WITA). Much of the discussion was focused on whether additional process was necessary to resolve WITA's Petition for a Moratorium. Upon further consideration, and in light of facts and circumstances not present in prior ETC cases, Embarq recommends that the Commission initiate an adjudicative proceeding to resolve WITA's petition.

Embarq recommends that the Commission conduct a more thorough review of the facts in these cases. The facts and circumstances surrounding the Eltopia and Sprint-Nextel petitions are substantially different than in past ETC cases. Serious questions have been raised about whether wireless companies across the nation are actually using USF funding to expand coverage throughout the areas in which they have been designated as ETCs.<sup>1</sup> In addition, it is clear from the discussion at the July 11 open meeting that the parties dispute the reliability of those studies, and likewise would dispute facts discovered in an adjudicative process in Washington.

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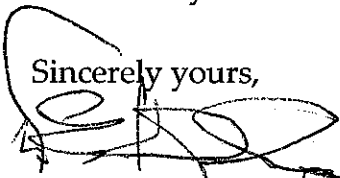
<sup>1</sup> See Caves-Eisenach and Vantzelfde Studies, contained in July 3, 2007 WITA filing.

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Embarq therefore urges the Commission to conduct a thorough review of the use of federal USF by CETCs in Washington. Embarq believes that WITA's petition for a moratorium is the appropriate matter in which to conduct such review and recommends that the Commission do so in the context of an adjudicative proceeding. A rulemaking is not sufficient to address the mounting factual issues. And the relief requested by WITA is simple. A rulemaking is better suited to issues that require more complex solutions. In this case, WITA and its members (including Embarq) have asked the Commission to stop granting ETC designations to CETCs at least until the matter is resolved at the federal level.

New facts in recent months, including the Caves-Eisenach and Vantzelfde studies, cast serious doubt on the manner in which CETCs are using USF funding. They also raise questions about whether those substantial expenditures are actually furthering universal service, and whether the federal USF fund can remain solvent with the current growth. These real and substantial concerns make it important for the Commission to conduct a full review to ensure that rural communities in Washington continue to receive high quality telecommunications services, not just in the short term, but also in years to come.

Sincerely yours,

A handwritten signature in black ink, appearing to read "W. Hendricks", written over a horizontal line.

William E. Hendricks  
Attorney for Embarq