

RSAs in Washington, to ensure that competition is not substantially lessened in those markets.

4 On December 22, 2008, Verizon Wireless and RCC transferred the assets of RCC's Washington RSA No. 2 and No. 3 to DC Newco Parent, LLC, a subsidiary of AT&T Mobility, LLC (AT&T). As a result of this transfer, RCC no longer owns or operates the network within Washington RSA No. 2 and RSA No. 3.

5 Pursuant to 47 U.S.C. § 214 (e) (4) and 47 C.F.R. § 54.205, RCC notifies the Commission of the relinquishment of its ETC designation in divested service areas in Washington. The specific incumbent local exchange carrier (ILEC) wire centers for which RCC seeks the relinquishment are listed in Exhibit A.

6 After the merger, RCC becomes an indirect subsidiary of Verizon Wireless. But it remains a separate legal entity.⁴ RCC will continue to operate and retain its ETC designation in Washington RSA No. 8 wire centers listed in Exhibit B.

DISCUSSION

7 Permitting RCC to partially relinquish ETC designation in Washington is consistent with the public interest, convenience and necessity. The FCC mandated the divestiture as a condition of its merger with Verizon Wireless. The FCC subsequently approved the asset transfer between RCC and AT&T.⁵ RCC should be permitted to relinquish its ETC status due to the fact that it no longer owns or operates in these areas in Washington.

8 RCC's request to relinquish their ETC designation in divested service areas meets the statutory requirements. 47 U.S.C. § 214 (e) (4) and 47 C.F.R.54.205 (a) provide that a state commission shall permit an ETC to relinquish its designation when the area is served by more than one ETC upon advance notice of the ETC. Each wire center for which RCC seeks to relinquish its ETC status is currently served by at least one more ETC other than RCC. All ILECs in the two RSAs are ETCs with universal service obligations. RCC's former customers who choose not to migrate to the AT&T's wireless network have the option to subscribe to their wireline ILEC as their last-resort telephone

⁴ RCC continues to own the stock of its subsidiaries and the RCC subsidiaries continues to hold all the licenses and spectrum leasing arrangements that they held prior to the merger with Verizon Wireless.

⁵ http://www.fcc.gov/Daily_Releases/Daily_Business/2008/db1217/DOC-287391A1.pdf

service provider. Therefore, RCC's relinquishment of ETC designation will not jeopardize the goal of universal service in the two RSAs.

- 9 RCC's relinquishment of its ETC designation in Washington RSA No. 2 and No. 3 will not reduce the availability of wireless service in these areas. These wire centers are served by several wireless mobile phone service providers. Even though most of the other wireless providers do not have universal service obligations,⁶ staff believes wireless carriers have market-driven incentives to make their service offerings available throughout their licensed areas. RCC's successor, AT&T, in particular, has the incentive to retain RCC's former customers in the two RSAs.
- 10 The federal rules require state commissions to ensure continuity of service for the relinquishing ETC's customers before allowing it to relinquish its ETC designation. Specifically, 47 U.S.C. § 214 (e) (4) and 47 C.F.R.54.205 (b) provide that prior to permitting an ETC to cease providing universal service in an area served by more than one ETC, the state commission shall require the remaining ETC or ETCs to continue to serve the relinquishing carrier's customers, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC. The transitional arrangement between RCC and AT&T addressed this concern. RCC informed the staff that all their former customers have migrated to AT&T's network. AT&T expressed its intention to seek ETC designation and resume RCC's universal service obligations in the two RSAs in the near future.
- 11 Both RCC and AT&T assured the staff that the transaction does not have negative impact on the existing Lifeline customers in Washington RSA No. 2 and No. 3. AT&T will continue to provide all eligible customers with the same Lifeline credits as they had with RCC even though AT&T will not receive reimbursement from the federal Universal Service Fund until it is designated as an ETC by the Commission in these wire centers. However, AT&T will not sign up new Lifeline subscribers until it obtains ETC status in these RSAs.

⁶ The only other wireless ETC in Washington RSA No. 2 and No. 3 is Sprint in Elk, Cashmere, Leavenworth and Wenatchee wire centers.

FINDINGS AND CONCLUSIONS

- 12 (1) The Commission has jurisdiction over the subject matter pursuant to 47 U.S.C. § 214 (e) (4).
- 13 (2) RCC Minnesota, Inc., is an Eligible Telecommunications Carrier in Washington per Commission Order No. 1 in Docket UT-023033 dated August 14, 2002.
- 14 (3) RCC Minnesota, Inc., is permitted by law to relinquish its ETC status.
- 15 (4) The Commission acknowledges that RCC Minnesota, Inc., completed transferring its assets and its customers in Washington RSA No. 2 and RSA No. 3 to AT&T Mobility, LLC on December 22, 2008. RCC Minnesota, Inc., will notify the Universal Service Administrative Company that it is no longer eligible for federal Universal Service Fund distribution for the two RSAs beginning December 22, 2008.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The petition of RCC Minnesota, Inc to relinquish its designation as an Eligible Telecommunications Carrier for Washington RSA No. 2 and RSA No. 3 wire centers is granted, effective February 26, 2009.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective February 26, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary