BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

) DOCKET UT-023040
)
ORDER 04
)
) ORDER ACKNOWLEDGING
) COMPANY'S ORGANIZATIONAL
) CHANGE AND GRANTING
) CONDITIONAL DESIGNATION AS
) AN ELIGIBLE
) TELECOMMUNICATIONS
) CARRIER FOR NINE ADDITIONAL
) EXCHANGES

INTRODUCTION AND BACKGROUND

- On August 7, 2013, Inland Cellular LLC dba Inland Cellular (Inland Cellular LLC or Company) filed a petition with the Washington Utilities and Transportation Commission (Commission) to modify the Commission's previous Order designating the Company as an Eligible Telecommunication Carrier (ETC) for the purpose of receiving support payments from the federal Universal Service Fund (USF). The Company's petition contains two requests. First, it requests that the Commission issue an order to acknowledge a restructuring of the partnership, from Inland Cellular Telephone Company (ICTC), to a Limited Liability Company, Inland Cellular LLC, as the designated ETC in Washington. Second, the Company requests that the Commission designate the Company as an ETC throughout its licensed cellular service territory as well as any extended service areas.
- The Commission designated ICTC as an ETC in 2002. ICTC is a general partner of Washington RSA No. 8 Limited Partnership dba Inland Cellular (WA8LP, study area code 529003) and Eastern Sub-RSA Limited Partnership dba Inland Cellular (WA5LP, study area code 529004). The Company describes that in late December 2012, ICTC purchased the remaining limited partnership interests in both WA8LP and WA5LP and formed a subsidiary, Inland Cellular LLC. The cellular licenses for WA8LP and WA5LP were transferred to Inland Cellular LLC. All assets, liabilities, revenues and expenses of WA8LP and WA5LP were also transferred to Inland Cellular LLC to consolidate recordkeeping. Accordingly, the Company requests the Commission to acknowledge the change from ICTC, or WA8LP and WA5LP, to Inland Cellular LLC.
- The Company petitioned the Commission to modify its ETC designation, on a going forward basis, to remove the confinement of the list of exchanges contained in Order 03

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¹ Order 01.

and state that Inland Cellular LLC is an ETC throughout its licensed cellular service territory as well as any extended service areas it filed with the FCC.²

- On December 13, 2013, the Company filed an amendment to its August 7, 2013 petition. It states that it now seeks conditional ETC designation for areas currently outside its designated ETC area but within the company's licensed service areas and extended areas for the purpose of filing for the future Mobility Fund auctions. The areas for which the Company seeks conditional ETC designation are the nine "partial" exchanges removed in Commission Order 03, as specified in the Appendix to the Company's amendment.
- On December 17, 2013, the Company filed a supplement to its petition. It states that the company will meet all requirements for ETC designation. The Company commits to provide all of the supported services with its own facilities throughout its designated service area. It also commits to advertise the availability of and charges for its USF-supported services using media of general distribution. The Company attests that it is financially and technically capable of providing service to un-served and under-served areas in Washington if it wins bids in future Mobility Fund auctions.
- This Commission has the authority to designate ETCs under 47 U.S.C. § 214(e), 47 C.F.R. § 54.1003, and Washington Administrative Code (WAC) § 480-123. The FCC did not establish additional rules to govern the ETC designation process solely for the purpose of designating entities to receive Mobility Fund support. Commission Staff has reviewed the petition and amendments and finds the Company meets the requirements for ETC designation under 47 U.S. C. § 214(e)(1), 47 C.F.R. § 54.201(d) and WAC 480-123-030. Staff also believes that the Company is capable of funding ongoing operation and maintenance in the areas where it receives Mobility Fund support. The conditional ETC designation for the purpose of Mobility Fund will not affect the Company's receipt of legacy High Cost Funds.

DISCUSSION

Inland Cellular LLC has demonstrated that it meets the requirements to be conditionally designated as an ETC in additional licensed areas to be eligible to bid in future Mobility Fund auctions. The Company is a facilities-based wireless telecommunications carrier

² While the company did not explicitly state the purpose of this modification, it implied in the petition that it is to prepare to participate in the future FCC Mobility Fund auctions.

³ In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform − Mobility Fund, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (USF/ICC Transformation Order) ¶ 390.

that has been serving as an ETC in Washington since 2002. It has satisfactorily met all its ETC obligations specified by the FCC and Washington rules.⁴

- Designating Inland Cellular LLC as a conditional ETC for the purpose of Mobility Fund auctions will serve the public interest. The FCC plans to provide, via Mobility Fund Phase II, up to \$500 million annually for ongoing support to ensure universal availability of mobile broadband services. The funding will expand and sustain mobile voice and broadband services in communities in which service would be unavailable absent federal support. Of the \$500 million budget, the FCC will designate up to \$100 million annually to address the special circumstances of Tribal lands.⁵
- The Commission has previously granted conditional ETC designation for the purpose of Mobility Fund auctions. On June 14, 2012, the Commission designated T-Mobile West LLC (T-Mobile) as an ETC in all Mobility Fund Phase I-eligible census blocks outside its existing ETC-designated area in Washington, conditioned upon the Company winning support from the Mobility Phase I auction for any such census blocks. Similarly, on September 26, 2013, the Commission designated United States Cellular Corporation (U.S. Cellular) as an ETC in all Mobility Fund-eligible census blocks within its licensed service area but outside its existing ETC-designated area in Washington, conditioned upon the company winning bids in the Mobility Fund auctions. The Commission imposed reporting requirements on both T-Mobile and U.S. Cellular's conditional ETC designation. Staff recommends the Commission apply similar requirements on Inland Cellular LLC's conditional ETC designation in this docket.

FINDINGS AND CONCLUSIONS

- 10 (1) The Commission has jurisdiction over ETCs in Washington and the subject matter of this Order pursuant to 47 U.S. C. § 214(e)(2), 47 C.F.R. §§ 54.201(b)-(c) and WAC 480-123-040.
- 11 (2) The Commission designated Inland Cellular Telephone Company as an ETC on August 30, 2002. The Company has complied with all the applicable ETC obligations under federal and state statutes and rules.
- 12 (3) The change to the Company's organizational structure and ownership does not affect the Company's operations or its obligations as an Eligible Telecommunications Carriers. The Commission considers it appropriate to transfer ETC designation to the new entity.

⁴ Specifically, 47 U.S.C. § 54.301-422 (former 47 U.S.C. § 54.301-417). WAC 480-123.

⁵ USF/ICC Transformation Order ¶¶ 493-494.

⁶ UT-120512, Order 01.

13 (4) The Commission finds that Inland Cellular LLC meets the requirements for ETC designation under 47 U.S. C. § 214(e)(1), 47 C.F.R. § 54.201(d) and WAC 480-123-030.

The Commission finds that granting Inland Cellular LLC's petition for conditional designation as an ETC in all Mobility Fund-eligible areas in the requested additional nine exchanges in Washington for the purpose of establishing eligibility to participate in future Mobility Fund auctions will advance the purpose of universal service set forth in 47 U.S.C. § 254. This designation is in the public interest and should be granted.

ORDER

THE COMMISSION ORDERS:

- The Commission acknowledges the Company's organizational change that all wireless licenses, assets, liabilities, revenues and expenses were transferred from Inland Cellular Telephone Company, or Washington RSA No.8 Limited Partnership and Eastern Sub-RSA Limited Partnership, to Inland Cellular LLC dba Inland Cellular. From the effective date of this Order, Inland Cellular LLC dba Inland Cellular will be the corporate entity designated as an Eligible Telecommunications Carrier in Washington.
- The Commission grants the petition of Inland Cellular LLC dba Inland Cellular for designation as an ETC in all Mobility Fund-eligible areas in the requested additional nine exchanges in Washington, as specified in the Appendix to this order, conditioned upon Inland Cellular LLC dba Inland Cellular winning bids in the Mobility Fund auctions for any such areas. The designation is subject to the following reporting requirements:
 - a. Inland Cellular LLC dba Inland Cellular must notify the Commission of its bidding results from any auction relevant to Washington within 30 days after the FCC releases the results of the winning bids;
 - b. If Inland Cellular LLC dba Inland Cellular wins any bid, its notification to the Commission shall specify the names of census blocks and census tracts where it will be eligible to receive Mobility Fund support as well as the names of associated incumbent local exchange carriers' wire centers corresponding to those census blocks and census tracts;
 - c. The Commission reserves the right to require Inland Cellular LLC dba Inland Cellular to provide any documents relevant to the Commission's

oversight on its use of Mobility Funds in Washington that are contained in its application packages or reports to the FCC;

and

- d. If Inland Cellular LLC dba Inland Cellular fails to win any bid in Washington, it is not required to comply with the reporting obligations in (b) and (c).
- 17 (3) After Inland Cellular LLC dba Inland Cellular notifies the Commission that it has been granted any Mobility Fund support, the Commission will issue an Order affirmatively designating it as an ETC in those granted areas.
- 18 (4) Inland Cellular LLC dba Inland Cellular must comply with applicable federal laws and regulations pertaining to Eligible Telecommunications Carrier obligations and requirements.
- 19 (5) The Commission has authority to modify, suspend, or revoke Inland Cellular LLC dba Inland Cellular's Eligible Telecommunications Carrier designation granted in this Order at a future date.

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 December 27, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary

APPENDIX

Inland Cellular LLC dba Inland Cellular Areas for Conditional Eligible Telecommunications Carrier Designation for the Purpose of the Federal Communications Commission's Future Mobility Fund Auctions

INCUMBENT LOCAL EXCHANGE CARRIER EXCHANGE

CENTURYTEL OF WASHINGTON, INC. DBA CENTURYLINK

COULEE CITY ELTOPIA REARDAN ROYAL CITY

FRONTIER COMMUNICATIONS NORTHWEST INC.

ROSALIA SOAP LAKE

QWEST CORPORATION DBA CENTURYLINK QC

COULEE DAM EPHRATA PASCO