**BEFORE THE WASHINGTON**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Application of  SPRINT NEXTEL CORPORATIONSprint Nextel Corporation,    For Relinquishment of Eligible Telecommunications Carrier (ETC) Designation  For a Temporary Exemption from WAC 480-123-030(1)(g) and WAC 480-123-070(6)  . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | ) ) ) ) ) ) ) )  )  )  )  )  )  )  )  )  )  )  )  )  ) | DOCKET UT-111325UT-073023  ORDER 0101  ORDER GRANTING APPLICATION FOR RELINQUISHMENT OF ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION  DOCKET UT-073023UT-073023  ORDER 0103   |  | | --- | | ORDER ACCEPTING REPORT ON THE STATUS OF COMPLIANCE WITH CELL SITE FOUR-HOUR BACK-UP POWER REQUIREMENT | |

## **BACKGROUND**

1. On July 21, 2011, Sprint Nextel Corporation (Sprint NextelAugust 21, 2009Spint Nextel or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application requesting relinquishment of its Eligible Telecommunications Carrier (ETC) Designation in Washington, effective January 1, 2012.
2. On November 30, 2011, Sprint Nextel filed an amendment to its ETC relinquishment application. The amendment includes a revised list of designated exchanges where the Company seeks ETC relinquishment, a sample notification letter to Lifeline customers in Washington and a summary compliance status report with regard to the Company’s cell site battery back-up power.
3. Sprint Nextel is a Commercial Mobile Radio Service provider licensed by the Federal Communications Commission (FCC). On October 29, 2003 in Docket UT-031558, the Commission designated Sprint Nextel as an ETC in certain areas served by two non-rural incumbent local exchange carriers (ILECs), Qwest Corporation and former Verizon Northwest Inc. The Commission designated Sprint Nextel as an ETC in certain areas served by rural ILECs on January 13, 2005, in Docket UT-043120. The Commission expanded the Company’s designation to include Sprint Nextel’s operating entities that provide service using Integrated Dispatch Enhanced Network technology on October 23, 2007 in Docket UT-073023. Appendix A lists the specific ILEC exchanges for which the Company seeks to relinquish designation.
4. On September 10, 2009, the Commission granted Sprint Nextel’s petition for a temporary exemption from the four-hour back-up battery requirement under WAC 480-123-070(6) and WAC 480-123-030(1)(g) until December 31, 2011.[[1]](#footnote-2) The Company filed a final compliance report on December 7, 2011, in Docket UT-073023.
5. During the Sprint Nextel and Clearwire Corporation merger proceeding before the FCC, Sprint Nextel committed to phase out its federal high cost support from the federal Universal Service Fund (USF) in five equal increments beginning in January 2009.[[2]](#footnote-3) On September 3, 2010, the FCC released an order providing instructions for implementing that commitment.[[3]](#footnote-4) To meet the high cost support phase-out requirement for 2012, Sprint Nextel decided to relinquish its ETC designation in a number of states, including Washington.

**DISCUSSION**

1. Staff reviewed Sprint Nextel’s request to relinquish its ETC designation in Washington and determined it meets the statutory requirements of 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205. 47 C.F.R. §54.205(a) provides 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; and that an ETC shall give advance notice to the state commission of such relinquishment. 47 C.F.R. §54.205(b) further provides that prior to permitting an ETC to cease providing universal service in an area served by more than one ETC, when necessary, the state commission shall require the remaining ETC or ETCs to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC.
2. Sprint Nextel satisfied the requirements of 47 C.F.R. §54.205(a) by giving notice and submitting a request to relinquish ETC designation in advance of relinquishment. Staff verified that alternative ETCs exist in Sprint Nextel’s ETC-designated areas in Washington. All incumbent landline telephone companies will remain the carrier of last resort in those areas. These wire centers will also continue to be served by other wireless ETCs with the exception of one wire center, Grayland. Approving Sprint Nextel’s relinquishment of ETC designation will not compromise Washington consumers’ access to basic telephone services with reliable service quality and affordable rates.
3. Upon the relinquishment of its ETC designation in Washington, Sprint Nextel will no longer receive federal high cost support in Washington. The Company will continue to operate in Washington as a non-ETC wireless service provider. All existing Sprint Nextel subscribers will be able to continue receiving wireless service from the Company or select other wireless carriers in their areas.
4. The Company addressed how it will deal with its Lifeline customers upon relinquishment. Currently, the Company has 68 low-income subscribers in Washington that receive federal Lifeline subsidies. Upon approval of its ETC relinquishment in Washington, Sprint Nextel will provide a written notice by U.S. Mail to each of its current Lifeline customers in Washington, informing them that Sprint Nextel will discontinue the federal Lifeline discounts on their monthly bills after 60 days following the issuance of the notice. These Lifeline customers can choose to continue to receive the same service from Sprint Nextel without the Lifeline discount, or select a different calling plan offered by Sprint Nextel. Alternatively, they can choose to obtain Lifeline service discounts from one of the remaining ETCs in their areas. If a Lifeline customer decides to disconnect from Sprint Nextel service, no early termination fee will be imposed. Sprint Nextel will not sign up any new Lifeline subscribers in Washington after December 31, 2011. It will stop collecting federal low income support in the state after December 31, 2011.
5. In its application for relinquishment, the Company reported on the status of its compliance with the cell site power back-up requirement under WAC 480-123-070(6) and WAC 480-123-030(1)(g). [[4]](#footnote-5) The Company has brought numerous cell sites into compliance but has not been able to bring all non-compliant cell sites to the four-hour back-up power standard, as required by Commission rule and the Commission’s temporary exemption order.
6. The Company explained that there are a number of mitigating factors in its cell site power back-up situation. Most of the non-compliant cell sites have a battery reserve that is very close to four hours. Most of them are Class 3 sites that are less crucial to the Company’s key network operation. Most of the non-compliant cell sites will receive overlapping signal coverage from the adjacent cell sites in the event of a lengthy and large-scale commercial power outage, which alleviates the risk of partial network failure. In addition, the Company reported that upgrading the back-up power is cost prohibitive at these cell sites. It could cost approximately $20,000 to install an additional battery string, in addition to the cost related to potential structural or leased space modifications. In some circumstances, it is impossible to increase the leased space to allow for placement of additional batteries. Considering the high cost of the battery back-up upgrade and the relatively few benefits from such an upgrade, the Company has instead invested in an extensive portable back-up power generator fleet that is poised for deployment in power failure emergencies.
7. The Company would have sought Commission approval for another extension of the existing temporary exemption from the four-hour power back-up requirement prior to December 31, 2011. However, the company’s application for relinquishment of its ETC designation makes such a request moot.
8. Based on the above analysis, Staff recommends the Commission accept the Company’s report on the status of compliance with the cell site back-up power requirement and grant the Company’s application for relinquishment of ETC designation in Washington.

**FINDINGS AND CONCLUSIONS**

1. (1) The Commission has jurisdiction over the subject matter pursuant to 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205.
2. (2) Sprint Nextel Corporation is an Eligible Telecommunications Carrier so designated by the Commission in Dockets UT-031558, UT-043120 and UT-073023.
3. (3) The Commission finds that it is in the public interest to accept Sprint Nextel’s report on its cell site power back-up compliance status, given the Company’s application for relinquishment of its ETC designation.
4. (4) Sprint Nextel Corporation is permitted by law to relinquish its ETC status if it satisfies the requirements of 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205. The Company provided an advance notice of its intent to relinquish its ETC designation. The area for which Sprint Nextel Corporation seeks to relinquish its ETC status is served by more than one other Eligible Telecommunications Carrier.
5. (5) The Commission finds the company’s request to relinquish its designation as an Eligible Telecommunications Carrier in the state of Washington is reasonable and should be granted. Within thirty (30) days from the effective date of this Order, Sprint Nextel Corporation will notify its Lifeline subscribers by U.S. mail of the discontinuance of the Lifeline discount and provide sixty (60) days for Lifeline subscribers to switch to a different calling plan offered by the Company or to an alternative Lifeline plan provider in the area.
6. (6) Sprint Nextel Corporation will notify the Universal Service Administrative Company that it is no longer eligible to receive federal Universal Service Fund disbursement in Washington, effective January 1, 2012.

**O R D E R**

**THE COMMISSION ORDERS:**

1. (1) The Commission accepts Sprint Nextel Corporation’s report on the status of compliance with the cell site four-hour back-up power requirement in Docket

UT-073023.

1. (2) The Application for Relinquishment of Eligible Telecommunications Carrier Designation in the state of Washington, filed by Sprint Nextel Corporation is granted, effective January 1, 2012. A complete list of exchanges subject to relinquishment is set forth in Appendix A.
2. (3) No later than July 31, 2012, Sprint Nextel must provide a final ETC compliance filing, describing its use of federal high cost support for the calendar year 2011. The filing should contain all certifications and reports required by WAC 480-123-070.

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

DATED at Olympia, Washington, and effective December 15, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Acting Secretary

**Appendix A**

**ILEC Wire Centers Subject to ETC Relinquishment**

| **Incumbent Local Exchange Carrier (ILECs)** | **Exchange** |
| --- | --- |
| Asotin Telephone Company | Asotin |
| CenturyTel of Cowiche | Cowiche |
| CenturyTel of Cowiche | Rimrock |
| CenturyTel of Cowiche | Tieton |
| CenturyTel of Washington | Ames Lake |
| CenturyTel of Washington | Arletta |
| CenturyTel of Washington | Ashford |
| CenturyTel of Washington | Basin City |
| CenturyTel of Washington | Carnation |
| CenturyTel of Washington | Cheney |
| CenturyTel of Washington | Connell |
| CenturyTel of Washington | Curtis |
| CenturyTel of Washington | Edwall - Tyler |
| CenturyTel of Washington | Elma |
| CenturyTel of Washington | Eltopia |
| CenturyTel of Washington | Eureka |
| CenturyTel of Washington | Fall City |
| CenturyTel of Washington | Gig Harbor |
| CenturyTel of Washington | Kingston |
| CenturyTel of Washington | Lake Quinault |
| CenturyTel of Washington | Lakebay |
| CenturyTel of Washington | Lind |
| CenturyTel of Washington | Mathews Corner |
| CenturyTel of Washington | McCleary |
| CenturyTel of Washington | Medical Lake |
| CenturyTel of Washington | Mesa |
| CenturyTel of Washington | Montesano |
| CenturyTel of Washington | North Bend |
| CenturyTel of Washington | Ocosta |
| CenturyTel of Washington | Orting |
| CenturyTel of Washington | Reardan |
| CenturyTel of Washington | Ritzville - Benge |
| CenturyTel of Washington | Royal City |
| CenturyTel of Washington | South Prairie |
| CenturyTel of Washington | Spangle |
| CenturyTel of Washington | Sprague |
| CenturyTel of Washington | Vader |
| CenturyTel of Washington | Vashon |
| CenturyTel of Washington | Wilson Creek |
| CenturyTel of Washington (inter-island) | Blakely Island |
| CenturyTel of Washington (inter-island) | East Sound |
| CenturyTel of Washington (inter-island) | Friday Harbor |
| Ellensburg Telephone Company | Ellensburg |
| Ellensburg Telephone Company | Kittitas |
| Ellensburg Telephone Company | Lauderdale |
| Ellensburg Telephone Company | Selah |
| Ellensburg Telephone Company | Thorp |
| Ellensburg Telephone Company | Vantage |
| Frontier Communications Northwest Inc. | Acme - Deming-Whatcomcty |
| Frontier Communications Northwest Inc. | Alger |
| Frontier Communications Northwest Inc. | Anacortes |
| Frontier Communications Northwest Inc. | Arlington |
| Frontier Communications Northwest Inc. | Benton City |
| Frontier Communications Northwest Inc. | Big Lake |
| Frontier Communications Northwest Inc. | Blaine - Birch Bay |
| Frontier Communications Northwest Inc. | Bothell |
| Frontier Communications Northwest Inc. | Burlington |
| Frontier Communications Northwest Inc. | Camas - Washougal |
| Frontier Communications Northwest Inc. | Cashmere |
| Frontier Communications Northwest Inc. | Chelan |
| Frontier Communications Northwest Inc. | Conway |
| Frontier Communications Northwest Inc. | Coupeville |
| Frontier Communications Northwest Inc. | Custer |
| Frontier Communications Northwest Inc. | Deming |
| Frontier Communications Northwest Inc. | Edison |
| Frontier Communications Northwest Inc. | Entiat |
| Frontier Communications Northwest Inc. | Everett |
| Frontier Communications Northwest Inc. | Everson |
| Frontier Communications Northwest Inc. | Ferndale |
| Frontier Communications Northwest Inc. | George |
| Frontier Communications Northwest Inc. | Granite Falls |
| Frontier Communications Northwest Inc. | Grayland |
| Frontier Communications Northwest Inc. | Halls Lake |
| Frontier Communications Northwest Inc. | Kennewick |
| Frontier Communications Northwest Inc. | Kirkland |
| Frontier Communications Northwest Inc. | La Conner |
| Frontier Communications Northwest Inc. | Laurel |
| Frontier Communications Northwest Inc. | Leavenworth |
| Frontier Communications Northwest Inc. | Lynden |
| Frontier Communications Northwest Inc. | Marysville |
| Frontier Communications Northwest Inc. | Monroe |
| Frontier Communications Northwest Inc. | Mount Vernon |
| Frontier Communications Northwest Inc. | Naches |
| Frontier Communications Northwest Inc. | Newport |
| Frontier Communications Northwest Inc. | Oak Harbor |
| Frontier Communications Northwest Inc. | Pullman |
| Frontier Communications Northwest Inc. | Quincy |
| Frontier Communications Northwest Inc. | Richland |
| Frontier Communications Northwest Inc. | Richmond Beach |
| Frontier Communications Northwest Inc. | Rosalia |
| Frontier Communications Northwest Inc. | Sedro Woolley |
| Frontier Communications Northwest Inc. | Silver Lake |
| Frontier Communications Northwest Inc. | Snohomish |
| Frontier Communications Northwest Inc. | Soap Lake |
| Frontier Communications Northwest Inc. | Stanwood |
| Frontier Communications Northwest Inc. | Sultan |
| Frontier Communications Northwest Inc. | Sumas |
| Frontier Communications Northwest Inc. | Waterville |
| Frontier Communications Northwest Inc. | Wenatchee |
| Frontier Communications Northwest Inc. | Westport |
| Frontier Communications Northwest Inc. | Woodland |
| Hat Island Telephone Company | Hat Island |
| Hood Canal Telephone Company | Union |
| Inland Telephone Company | Roslyn |
| Inland Telephone Company | Uniontown |
| Kalama Telephone Company | Kalama |
| Lewis River Telephone Company | La Center |
| Mashell Telecom | Eatonville |
| McDaniel Telephone Company | Onalaska |
| McDaniel Telephone Company | Salkum |
| Qwest Corporation | Aberdeen - Hoquiam |
| Qwest Corporation | Auburn |
| Qwest Corporation | Bainbridge Island |
| Qwest Corporation | Battle Ground |
| Qwest Corporation | Belfair |
| Qwest Corporation | Bellevue |
| Qwest Corporation | Bellingham |
| Qwest Corporation | Black Diamond |
| Qwest Corporation | Bremerton |
| Qwest Corporation | Buckley |
| Qwest Corporation | Castle Rock |
| Qwest Corporation | Centralia |
| Qwest Corporation | Chehalis |
| Qwest Corporation | Cle Elum |
| Qwest Corporation | Colfax |
| Qwest Corporation | Copalis - Ocean Shore |
| Qwest Corporation | Deer Park |
| Qwest Corporation | Des Moines |
| Qwest Corporation | Easton |
| Qwest Corporation | Elk |
| Qwest Corporation | Enumclaw |
| Qwest Corporation | Ephrata |
| Qwest Corporation | Graham |
| Qwest Corporation | Green Bluff |
| Qwest Corporation | Hoodsport |
| Qwest Corporation | Issaquah |
| Qwest Corporation | Kent |
| Qwest Corporation | Liberty Lake |
| Qwest Corporation | Longview Kelso |
| Qwest Corporation | Maple Valley |
| Qwest Corporation | Moses Lake |
| Qwest Corporation | Newman Lake |
| Qwest Corporation | Olympia |
| Qwest Corporation | Othello |
| Qwest Corporation | Pasco |
| Qwest Corporation | Pateros |
| Qwest Corporation | Port Angeles |
| Qwest Corporation | Port Ludlow |
| Qwest Corporation | Port Orchard |
| Qwest Corporation | Port Townsend |
| Qwest Corporation | Puyallup |
| Qwest Corporation | Renton |
| Qwest Corporation | Ridgefield |
| Qwest Corporation | Rochester |
| Qwest Corporation | Roy |
| Qwest Corporation | Seattle |
| Qwest Corporation | Sequim |
| Qwest Corporation | Shelton |
| Qwest Corporation | Silverdale |
| Qwest Corporation | Spokane |
| Qwest Corporation | Sumner |
| Qwest Corporation | Tacoma |
| Qwest Corporation | Tacoma Waverly |
| Qwest Corporation | Vancouver |
| Qwest Corporation | Walla Walla - Touchet |
| Qwest Corporation | Warden |
| Qwest Corporation | Winlock |
| Qwest Corporation | Yakima |
| St John Co-Op Telephone & Telegraph Company | St John |
| Tenino Telephone Company | Tenino |
| The Toledo Telephone Company | Toledo |
| United Telephone Company of The Northwest | Chimacum |
| United Telephone Company of The Northwest | Columbia |
| United Telephone Company of The Northwest | Dallesport - Wishram |
| United Telephone Company of The Northwest | Goldendale |
| United Telephone Company of The Northwest | Grandview |
| United Telephone Company of The Northwest | Granger |
| United Telephone Company of The Northwest | Harrah |
| United Telephone Company of The Northwest | Hood Canal |
| United Telephone Company of The Northwest | Lyle |
| United Telephone Company of The Northwest | Mabton - Bickleton |
| United Telephone Company of The Northwest | Mattawa |
| United Telephone Company of The Northwest | Paterson |
| United Telephone Company of The Northwest | Port Angeles - Gardiner |
| United Telephone Company of The Northwest | Poulsbo |
| United Telephone Company of The Northwest | Prosser |
| United Telephone Company of The Northwest | Roosevelt |
| United Telephone Company of The Northwest | Stevenson |
| United Telephone Company of The Northwest | Toppenish - Zillah |
| United Telephone Company of The Northwest | Wapato |
| United Telephone Company of The Northwest | White Salmon |
| United Telephone Company of The Northwest | White Swan |
| United Telephone Company of The Northwest | Whitstran |
| United Telephone Company of The Northwest | Willard |
| Whidbey Telephone Company | Point Roberts |
| Whidbey Telephone Company | South Whidbey |
| Yelm Telephone Company | Rainier |
| Yelm Telephone Company | Yelm |

1. *In the Matter of the Petition of Sprint Nextel Corporation for a Temporary Exemption from WAC 480-123-030(1)(g) and WAC 480-123-070(6)*, UTC Docket UT-073023, *Order 02* dated September 10, 2009. [↑](#footnote-ref-2)
2. *Sprint Nextel Corp. and Clearwire Corporation, Applications For Consent to Transfer Control of Licenses, Leases, and Authorizations,* WT Docket No. 08-94, 23 FCC Rcd 17570 (2008). [↑](#footnote-ref-3)
3. *In the Matter of High-Cost Universal Service Support,* WC Docket No. 05-337, *Federal-State Joint Board on Universal Service, Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC,* CC Docket No. 96-45, *Order* released Sept. 3, 2010 (FCC 10-155). [↑](#footnote-ref-4)
4. Sprint Nextel provided a summary report on the cell site battery back-up status in Confidential Exhibit B to the Amendment to the application for relinquishment. The Company also provided a detailed power back-up report on a wire center basis in Revised Confidential Attachment 8 on September 12, 2011in Docket UT-111383 (Sprint Nextel 2011 ETC certifications and reports). [↑](#footnote-ref-5)