

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Allied )  
Wireless Communications Corporation dba )  
Alltel Petition for Designation as a High- ) Case No. 12-1730-TP-UNC  
Cost Rural Competitive Eligible )  
Telecommunications Carrier. )

FINDING AND ORDER

The Commission finds:

- (1) On November 18, 2011, the Federal Communications Commission (FCC) established, for the first time, a universal service support mechanism dedicated exclusively to mobile services (Mobility Fund).<sup>1</sup> Phase I of the Mobility Fund will provide up to \$300 million in one-time support through a reverse bidding process (Auction 901) to be held on September 27, 2012, in order to accelerate deployment of 3G or 4G mobile voice and broadband networks in unserved areas. In order to participate in Auction 901, however, a carrier must be designated as an eligible telecommunications carrier (ETC) in all census blocks for which the carrier desires to submit a bid. Further, the carrier must be designated as an ETC at the time it files a short-form application with the FCC to participate in the auction. The FCC delegated authority to the Wireless Telecommunications Bureau and the Wireline Competition Bureau (collectively, the "Bureaus") to prepare for and conduct Auction 901 and administer program details.
- (2) On May 2, 2012, the Bureaus released a Public Notice which details the procedures for the Mobility Fund Phase I auction, including pre-auction and post-auction requirements, determines the census blocks eligible for support, and establishes the window for parties to file applications to participate. The Public Notice provides that: (a) high-cost

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<sup>1</sup> Connect America Fund, WC Docket No. 10-90, A National Broadband Plan for Our Future, GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135, High-Cost Universal Service Support, WC Docket No. 05-337, Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109, Universal Service Reform - Mobility, WT Docket No. 10-208, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161, rel. November 18, 2011 (*USF/ICC Transformation Order*).

support will be made available for 98 percent or more of the total road miles in eligible census blocks; (b) Auction 901 will be a single-round, sealed bid auction; (c) bidding will be done on a census block basis; and (d) each winning bidder will be required to provide coverage, to a minimum of 75 percent of the road miles in each census tract for which it wins support, calculated as the total of the road miles in the eligible census blocks in the tract. The Public Notice also establishes that the window for the filing of short-form applications opens on June 27, 2012, and closes at 6 p.m. on July 11, 2012.

- (3) On June 1, 2012, as supplemented on June 15, 2012, Allied Wireless Communications Corporation dba Alltel (Alltel or applicant), pursuant to 47 U.S.C. §214(e)(2), 47 C.F.R. §54.1003, and Rules 4901:1-6-09 and 4901:1-6-19, Ohio Administrative Code (O.A.C.), filed an application seeking conditional ETC designation for the purpose of establishing eligibility to participate in the Mobility Fund Phase I auction in all areas of Ohio where Alltel is licensed by the FCC to provide commercial mobile radio services (CMRS). Applicant states that such designation is conditioned upon Alltel winning support from the Mobility Fund Phase I auction. Alltel claims to satisfy all of the requirements for designation as an ETC, including: (a) common carrier status; (b) offering all of the supported services; (c) offering service throughout its designated ETC service area; (d) advertising the availability of its universal service offering; and (e) meeting all other requirements for designation as an ETC. Therefore, based on satisfying the ETC designation requirements, and the FCC's encouragement to the states to process ETC applications in a timely fashion so that carriers can participate in Auction 901, applicant recommends that the Commission expeditiously designate Alltel as an ETC in Ohio, conditioned upon receipt of Mobility Fund support.
- (4) In support, the applicant states that Alltel is a commercial mobile radio service provider regulated as common carrier and, thus, meets the ETC requirement of being a common carrier pursuant to 47 C.F.R. §20.9. Next, Alltel claims to offer the services supported by the federal universal service support mechanisms including: (a) voice grade access to the public switched network; (b) local usage; (c) access to

emergency services; and (d) toll limitation for qualifying low-income consumers.

- (5) The applicant submits that Alltel is a facilities-based provider of services and, as such, principally utilizes its network and facilities to serve its customers rather than resell the service of another provider. Alltel commits to provide all of the supported services throughout its designated service area as required. Alltel commits to advertise the availability of, and charges for, its universal service offerings using media of general distribution. The applicant further commits to undertake outreach initiatives to increase consumer awareness of Alltel's Lifeline service throughout its ETC area and will incorporate Commission-recommended language in some of its media advertising. Currently, the applicant advertises its wireless telecommunications services, including supported services, using newspapers, its website, and other direct advertising methods throughout its service area. Alltel commits to expand upon these media, as necessary, to ensure that consumers within its ETC designated area are fully informed of its universal service offerings.
- (6) Alltel also claims to meet the additional requirements for designation as an ETC. Namely, upon receipt of Mobility Fund support, Alltel commits to serve all consumers within its ETC service area consistent with 47 C.F.R. §54.202(a)(1)(i). Moreover, the applicant avers that Mobility Fund recipients are obligated to provide the supported services over a 3G or better network with specific data transmission speeds. According to the applicant, 3G networks are to be built out within two years of receiving funding while 4G networks are to be deployed over a three-year time frame. At the end of the respective build-out periods, Mobility Fund recipients must provide service over at least 75 percent of the total road miles in the identified census blocks in the areas in which the recipient receives support. (*FCC ICC/USF Transformation Order* at ¶365.) Alltel commits to use Mobility Fund monies to construct facilities and provide service in the census blocks where it receives funding. Further, Alltel will prepare and file with the Commission, subject to the appropriate protective order, a comprehensive service improvement plan (SIP) for its ETC service area after the FCC awards funding through its reverse auction.

- (7) Alltel also claims to have the ability to remain functional in emergency situations which includes a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations, as required by 47 C.F.R. §54.202(a)(2). Specifically, Alltel has the following capabilities to remain functional in emergency situations: (a) availability of portable back-up generators at various network locations throughout Alltel's network that can be deployed in emergency situations; (b) ability to reroute traffic around damaged or out-of-service facilities through the deployment of cell sites on wheels (COWs), redundant facilities, and dynamic rerouting of traffic over microwave and leased facilities; (c) a network control center that monitors network traffic and can then (i) deploy network facilities to accommodate capacity needs, (ii) change call routing translations, and (iii) deploy COWs to temporarily meet traffic needs until longer-term solutions, such as additional capacity and antenna towers can be deployed; and (d) battery back-up systems to maintain service in the event of a widespread outage. The applicant further commits to comply with any applicable reporting requirements of the FCC with respect to outages.
- (8) Next, Alltel submits that it will satisfy applicable consumer protection and service quality standards in accordance with 47 C.F.R. §54.202(a)(3) and Rule 4901:1-6-09(A), O.A.C. Alltel avers that it complies with the CTIA's Consumer Code for Wireless Service. Additionally, Alltel will offer a local usage plan comparable to that offered by the incumbent local exchange carrier within its ETC designated area to the extent still applicable in Ohio even though the FCC has eliminated this requirement in the recent reform of universal service.
- (9) Lastly, Alltel asserts that the company will offer Lifeline service within its ETC area to all qualifying low-income consumers in accordance with applicable federal and state lifeline requirements. Alltel's Lifeline service offering, will include: (a) a Lifeline rate of \$10.00 per month; (b) 500 anytime minutes and 500 text messages per month; (c) additional minutes and text messages priced at \$0.10; (d) roaming at \$0.59 per minute; no charge for calls to other Alltel

lifeline mobile customers, long distance, and Caller ID services; and (e) a free handset. Additional benefits of Alltel's planned Lifeline service offering include free calls to 9-1-1 and customer service, regardless of whether the customer has sufficient remaining minutes available in their account without those calls being deducted from the monthly included minutes or charged as additional minutes. Further, qualified consumers who subscribe to Alltel's Lifeline offering are not charged federal universal fund or other government-related surcharges including a fee for the cost of local number portability. Finally, Alltel asserts that the company has thoroughly reviewed the FCC's Lifeline Reform Order<sup>2</sup> and all newly adopted requirements and will implement the internal controls and processes necessary to ensure compliance with the FCC's final rules designed to limit fraud, waste, and abuse within the Lifeline program.

- (10) The Commission finds that, through its application, Alltel has demonstrated that it has met the standards established by the FCC and has provided sufficient evidence for this Commission to grant conditional ETC status to the applicant for those Ohio census blocks identified by the FCC in order to participate in the Mobility Fund Phase I auction. This authorization is conditional in the sense that any ETC designation granted to Alltel will only be for those unserved areas throughout its service territory where the company is the successful bidder in the Mobility Fund Phase I auction. Alltel is instructed to make a supplemental filing in this docket following the auction, informing the Commission of the auction results and as to whether Alltel will be operating as an ETC subject to this conditional authorization granted herein.

It is, therefore,

ORDERED, That Alltel is conditionally designated as an ETC for eligibility for federal universal service funding conditioned upon Alltel winning support from the Mobility Fund Phase I auction, such that Alltel shall be deemed an ETC only for the areas in which it is awarded Mobility Fund support. It is, further,

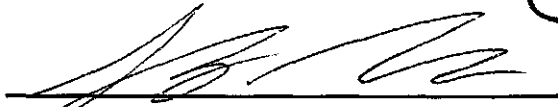
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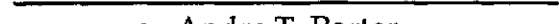
<sup>2</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11, released February 6, 2012.

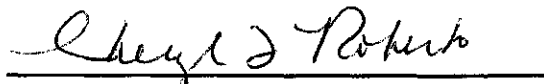
ORDERED, That a copy of this finding and order be served upon Alltel and any other interested person of record.

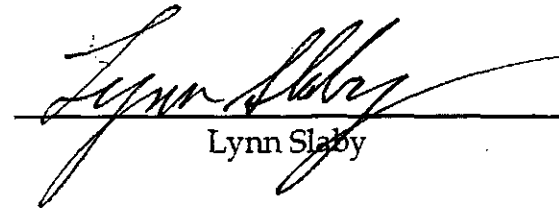
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Steven D. Lesser

  
Andre T. Porter

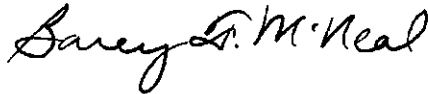
  
Cheryl L. Roberto

  
Lynn Slaby

JRJ/vrm

Entered in the Journal

**JUN 20 2012**

  
Barcy F. McNeal

Barcy F. McNeal  
Secretary