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COMMON CARRIER BUREAU INITIATES A PROCEEDING TO CONSIDER THE PETITION OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION AND TWENTY RURAL TELECOMMUNICATIONS COMPANIES' FOR AGREEMENT WITH DESIGNATION OF RURAL COMPANY ELIGIBLE TELECOMMUNICATIONS CARRIER SERVICE AREAS AT THE EXCHANGE LEVEL AND FOR APPROVAL OF THE USE OF DISAGGREGATION OF STUDY AREAS FOR THE PURPOSE OF DISTRIBUTING PORTABLE FEDERAL UNIVERSAL SERVICE SUPPORT

CC Docket No. 96-45

Released: November 24, 1998

On August 17, 1998, the Washington Utilities and Transportation Commission (Washington Commission), Asotin Telephone Company, CenturyTel of Cowiche, Ellensburg Telephone Company, CenturyTel of Washington, Hat Island Telephone Company, Hood Canal Telephone Co., Inc., Inland Telephone Company, Kalama Telephone Company, Lewis River Telephone Company, Mashell Telecom, Inc., McDaniel Telephone Company, Pend Oreille Telephone Company, Pioneer Telephone Company, St. John, Co-operative Telephone and Telegraph Company, Tenino Telephone Company, The Toledo Telephone Co., Inc., United Telephone Company of the Northwest, Western Wahkiakum County Telephone Company, Whidbey Telephone Company and Yelm Telephone Company (rural LEC petitioners) filed a Petition for Agreement with Designation of Rural Company Eligible Telecommunications Carrier Service Areas at the Exchange Level and for Approval of the use of disaggregation of study areas for the purpose of distributing portable federal universal service support (petition). On August 24, 1998, the Commission issued a public notice seeking comment on the petition.¹

Pursuant to section 214(e)(5) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the Act),² and section 54.207 of the Commission's rules,³ the petition requests the agreement of the Federal Communication Commission (Commission) with

¹ Public Notice, CC Docket No. 96-45, DA 98-1691, *Common Carrier Bureau Seeks Comment on the Washington Utilities and Transportations Commission's and Twenty Rural Telecommunications Companies' Petition for Agreement With Designation of Rural Company Eligible Telecommunications Carrier Service Areas at the Exchange Level and for Approval of the Use of Disaggregation of Study Areas for the Purpose of Distributing Portable Federal Universal Service Support* (rel. August 24, 1998) (*Public Notice*).

² 47 U.S.C. § 214(e)(5).

³ 47 C.F.R. § 54.207.

the Washington Commission's designation of the individual exchanges of the rural LEC petitioners to be their service areas, and also requests a waiver for the rural LEC petitioners of the existing method of calculating universal service funds. The petition proposes to disaggregate federal high cost support currently given at the study area level, by using a version of the Benchmark Cost Proxy Model to determine the cost of providing service in density zones within each exchange served by the rural carriers. The rural LEC petitioners' support of the request for service area designation is conditioned on this Commission's approval of the request for disaggregated study-area support.

Under section 214(e)(5) of the Act, this Commission must agree to the service area designation proposed by the Washington Commission before the proposed designation can take effect. Section 54.207 of the Commission's rules, delegates actions on such petitions to the Common Carrier Bureau and sets forth the procedures for consideration of state petitions proposing to establish a service area for a rural company that is different from its "study area." Pursuant to the Commission's rules, the Washington Commission's petition would be deemed approved unless the Bureau acts on the petition by November 24, 1998.

The Bureau is currently considering the petition, which is the first filed under these rules. Pursuant to section 54.207(c)(3) of the Commission's rules, and the authority delegated under section 54.207(e), we initiate a proceeding to continue our consideration of the petition.

For further information, contact Sumita Mukhoty, Accounting Policy Division, Common Carrier Bureau at (202) 418-7400, TTY (202) 418-0484, or via e-mail: smukhoty@fcc.gov.

-- Action by Chief, Accounting Policy Division --