

**SOAH DOCKET NO. 473-00-1167
PUC DOCKET NO. 22289**

APPLICATION OF WWC TEXAS RSA	§	BEFORE THE STATE OFFICE
LIMITED PARTNERSHIP FOR	§	
DESIGNATION AS AN ELIGIBLE	§	OF
TELECOMMUNICATIONS CARRIER	§	
PURSUANT TO 47 U.S.C. § 214(e) AND	§	ADMINISTRATIVE HEARINGS
PUC SUBST. R. 26.418, AND AS AN	§	
ELIGIBLE TELECOMMUNICATIONS	§	
PROVIDER PURSUANT TO 47 U.S.C.	§	
§ 214(e) AND PUC SUBST. R. 26417	§	

DIRECT TESTIMONY OF JAMES BLUNDELL

on behalf of
WWC Texas RSA Limited Partnership
(Western Wireless)

PUBLIC UTILITY COMMISSION OF TEXAS

DIRECT TESTIMONY OF JAMES BLUNDELL

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT, AND BUSINESS**
2 **ADDRESS.**

3
4 **A.** My name is James Blundell. I am the Director of External Affairs for Western Wireless
5 Corporation. My business address is 3650 131st Avenue, SE, Suite 400, Bellevue,
6 Washington 98006.

7 **Q. WHAT ARE YOUR RESPONSIBILITIES WITHIN WESTERN WIRELESS?**

8
9 **A.** My primary responsibility is to represent the Company in all government and industry affairs.
10 I am responsible for many regulatory and legislative matters for Western Wireless and its
11 subsidiaries, including WWC Texas RSA Limited Partnership (collectively "WWC"), at both
12 the state and federal levels. I have lead responsibility for the filing and management of
13 WWC' eligible telecommunications carrier ("ETC") designations in Minnesota, Kansas,
14 North Dakota, and South Dakota and the Company's pending applications for ETC
15 designation in several other state commission dockets, including Texas. In that capacity, I
16 have gained substantial knowledge about the products and services offered by WWC, as well
17 as the Company's network and business operations. I have also gained substantial
18 knowledge about the service WWC will offer once designated as an ETC in Texas, including
19 its features, pricing, and services. I am also responsible for the management of regulatory

1 proceedings in several states involving the reform of state universal service rules,
2 slamming/cramming, E911, numbering, etc.

3 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

4 A. Since January 1999, I have worked for Western Wireless as the Director of External Affairs.
5 Prior to joining Western Wireless, I served as House Counsel to the Washington State House
6 of Representatives. Before working for the Washington State House of Representatives, I
7 was an associate at the law firm of Owens Davies Mackie in Olympia, Washington, where
8 I practiced in the areas of land use and municipal law.

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

10 A. I hold a Juris Doctorate degree from Santa Clara University in Santa Clara, California and
11 a Bachelor of Arts degree in Political Science from the University of Washington in Seattle,
12 Washington.

13 **Q. DOES WWC CURRENTLY PROVIDE TELECOMMUNICATIONS SERVICE IN**
14 **TEXAS?**

15
16 A. Yes. WWC is a "telecommunications carrier" as defined in 47 U.S.C. §153 (44). WWC is
17 authorized by the FCC and provides commercial mobile radio services ("CMRS") under the
18 brand name "CellularOne" in the following Texas counties: Andrews, Archer, Armstrong,
19 Bailey, Baylor, Borden, Brewster, Briscoe, Callahan, Cameron, Camp, Carson, Cass, Castro,
20 Childress, Cochran, Coke, Collingsworth, Cottle, Crane, Crockett, Crosby, Culberson,
21 Dallam, Dawson, Deaf Smith, Delta, Dickens, Donley, Ector, Fannin, Fisher, Floyd, Foard,
22 Franklin, Gaines, Garza, Glasscock, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell,

1 Hemphill, Hidalgo, Hockley, Hopkins, Howard, Hudspeth, Hunt, Hutchinson, Irion, Jeff
2 Davis, Jones, Kent, King, Knox, Lamar, Lamb, Lipscomb, Loving, Lubbock, Lynn, Marion,
3 Martin, Midland, Mitchell, Moore, Morris, Motley, Nolan, Ochiltree, Oldham, Parmer,
4 Pecos, Presidio, Rains, Reagan, Red River, Reeves, Roberts, Schleicher, Scurry, Shackelford,
5 Sherman, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry,
6 Throckmorton, Titus, Tom Green, Upshur, Upton, Ward, Wheeler, Wilbarger, Winkler,
7 Wood, Yoakum, Young. The CMRS services provided by WWC in Texas include mobile
8 telephony, data/facsimile, 911, voice mail, and several other features and services. WWC
9 has been instrumental in serving the communications needs of Texas consumers in these
10 areas.

11 **Q. TURNING TO THE MATTER OF UNIVERSAL SERVICE, DOES WESTERN**
12 **WIRELESS OR ITS SUBSIDIARIES CURRENTLY CONTRIBUTE TO THE**
13 **FUNDING FOR UNIVERSAL SERVICE?**

14
15 **A.** At the present time, federal regulations require a carrier like WWC to contribute
16 approximately 3.5 percent of its revenues to the funding of federal universal service, and
17 many states also require WWC to contribute to the funding of state universal service. In
18 Texas, at the Commission-established rate of 3.955%, WWC contributes to the Texas
19 Universal-Service Fund ("TUSF").

20 **Q. HAS THE STATE DETERMINED THAT WIRELESS CARRIERS WILL BE**
21 **ELIGIBLE FOR FEDERAL ETC AND STATE ELIGIBLE**
22 **TELECOMMUNICATIONS PROVIDER ("ETP") DESIGNATION IN TEXAS?**

23
24 **A.** Yes. The Public Utility Commission of Texas' Substantive Rule § 26.418 allows any
25 "common carrier" to be designated an ETC, and Substantive Rule § 26.417 allows any

1 "telecommunications provider" to be designated an ETP. A CMRS provider such as WWC
2 is both a common carrier and a telecommunications provider. In addition, it is my
3 understanding that in its deliberations on the preliminary order in this proceeding, the Texas
4 Commission also confirmed both its intent and that of the Texas Legislature that all carriers
5 who meet the applicable requirements are eligible for ETC and ETP designation, regardless
6 of the type of technology utilized to provide service.

7 **Q. IS THE COMPANY PRESENTLY ABLE TO DRAW FROM FEDERAL OR STATE**
8 **UNIVERSAL SERVICE FUNDS FOR THE PROVISION OF THE SUPPORTED**
9 **SERVICES IN TEXAS?**

10
11 A. No. Until WWC is designated as an ETC, it is not able to draw from the federal universal
12 service fund or TUSF to make available a universal service offering to Texas consumers.
13 Upon designation as an ETC and ETP, WWC will be eligible to receive universal service
14 funds, which will allow the Company to make available to consumers a universal service
15 offering that meets their telecommunications needs. Without access to universal service
16 funding, a competitive carrier such as WWC is severely limited in its ability to provide a
17 competitive telecommunications service to consumers in high-cost areas. Unlike urban areas
18 where carriers are able to compete based upon the cost of providing service, rural high-cost
19 areas will not experience the full benefits of competition unless competitive carriers are
20 designated as ETCs for purposes of universal service support and have equal access to
21 support mechanisms designed to benefit rural consumers.

1 Q. **WHAT ARE THE PURPOSES OF YOUR TESTIMONY?**

2 A. The purposes of my testimony are two-fold: first, I will describe how WWC provides the
3 supported services in Texas, and identify the Company's plans for providing universal
4 service offerings in Texas in compliance with the federal and state ETC and ETP criteria.
5 Second, I will explain the public interest benefits that will be realized by designating WWC
6 as an additional ETC and ETP in areas served by rural telephone companies.

7 **II. REQUIREMENTS FOR ETC DESIGNATION**

8 Q. **WHEN DID WWC FILE ITS ETC APPLICATION IN THE STATE OF TEXAS?**

9
10 A. WWC's ETC Application was filed with the Public Utility Commission of Texas (the
11 "Commission") on March 15, 2000. Concurrent with that Application, WWC filed an
12 application for designation as an ETP pursuant to Substantive Rule § 26.417.

13 Q. **WHY IS WWC SEEKING DESIGNATION AS AN ETC?**

14 A. Section 214(e) of the Telecommunications Act of 1996, 47 U.S.C. § 214(e) ("FTA" or "the
15 Act") and Substantive Rule § 26.418(f), provide that a carrier must obtain designation as an
16 ETC from the Commission in order to be eligible to receive federal universal service support.
17 In addition, obtaining ETC designation is a prerequisite for being designated an ETP.

18 Q. **IS IT WWC'S INTENT TO OBTAIN UNIVERSAL SERVICE SUPPORT FOR THE
19 PROVISION OF TELECOMMUNICATIONS SERVICES TO THE PUBLIC?**

20
21 A. Yes.
22

1 Q. IS A WIRELESS PROVIDER LIKE WWC ELIGIBLE FOR UNIVERSAL SERVICE
2 SUPPORT?

3
4 A. Yes. Both the Act and the FCC's decision *In the Matter of Federal-State Joint Board on*
5 *Universal Service*, CC Docket 96-45, Report and Order, FCC 97-157 (rel. May 7, 1997)
6 (“*Universal Service Order*”) establish the directives for the Commission to follow in making
7 an ETC designation. Section 214(e) specifically provides for the designation of all
8 telecommunications carriers, including a wireless provider such as WWC, as ETCs for
9 federal universal service support. The FCC has further concluded as follows:

10 We agree with the Joint Board’s analysis and recommendation that any
11 telecommunications carrier using any technology, including wireless
12 technology, is eligible to receive universal service support if it meets the
13 criteria under Section 214(e)(1).
14

15 *Universal Service Order*, at ¶ 145. In fact, the State commissions for Minnesota, North
16 Dakota and Kansas, and the South Dakota appeals court, have already determined that
17 affiliates of WWC meets the requirements under Section 214(e)(1). *See In re Minnesota*
18 *Cellular Corporation's Petition for Designation as an Eligible Telecommunications Carrier*,
19 Docket No. P-5695/M-98-1285 (Minn. PUC Feb. 10, 2000); *In the Matter of GCC License*
20 *Corporation's Petition for Designation as an Eligible Telecommunications Carrier*, Docket
21 No. 99-GCCZ-156-ETC, Order No. 6 (Kansas Corporation January 18, 2000); *Western*
22 *Wireless Corporation's Designated ETC Application*, Case No. PU-1564-98-428, Findings
23 of Fact, Conclusions of Law and Order (N.D. PUC, December 15, 1999). *The Filing by*
24 *GCC License Corporation for Designation as an Eligible Telecommunications Carrier*.

1 *Findings of Fact, Conclusions of Law and Order*, Civ. 99-235, (S.D. Circuit Court, March
2 22, 2000).

3 **Q. WHAT ARE THE REQUIREMENTS FOR OBTAINING ETC DESIGNATION?**

4
5 A. The eligibility requirements in the Act are as follows:

6 A common carrier designated as an eligible telecommunications carrier under
7 paragraph (2) or (3) shall be eligible to receive universal service support in
8 accordance with section 254 and shall, throughout the service area for which
9 the designation is received:

10
11 (A) Offer the services that are supported by Federal universal
12 service support mechanisms under Section 254(c), either using its
13 own facilities or a combination of its own facilities and resale of
14 another carrier's services (including the services offered by another
15 eligible telecommunications carrier); and

16
17 (B) Advertise the availability of such services and the charges
18 therefor using media of general distribution.

19
20 *See* 47 U.S.C. § 214(e)(1) (emphasis added). In areas served by a rural LEC, the
21 Commission must also make a "public interest" finding. *Id.* § 214(e)(2). Consistent with the
22 Act, Substantive Rule § 26.418 sets forth the same criteria for analyzing an application for
23 ETC designation.

24 **Q. IS IT YOUR UNDERSTANDING THAT IF WWC DEMONSTRATES THAT IT IS**
25 **CAPABLE OF MEETING ALL THE OBLIGATIONS IMPOSED BY**
26 **SUBSTANTIVE RULE § 26.418, IN ACCORDANCE WITH SECTION 214(e), THAT**
27 **IT IS ENTITLED TO BE DESIGNATED AS AN ETC?**

28
29 A. Yes. For areas served by a non-rural telephone company, the Commission is required by the
30 Act to designate WWC as an ETC if it demonstrates an ability to perform all the obligations
31 arising under an ETC designation.

1 **Q. THE FIRST CRITERION FOR ETC DESIGNATION UNDER SECTION 214(e)(1)**
2 **IS COMMON CARRIER STATUS. IS WWC A COMMON CARRIER?**

3
4 A. Yes. WWC is a "common carrier" for purposes of obtaining ETC designation under 47
5 U.S.C. § 214(e)(1). A common carrier is generally defined in 47 U.S.C. § 153(10) as a
6 person engaged as a common carrier on a for-hire basis in interstate communications
7 utilizing either wire or radio technology. The FCC's regulations specifically provide that a
8 cellular service, such as that provided by WWC, is a common carrier service. *See* 47 C.F.R.
9 § 20.9(a)(7).

10 **Q. IS THE FCC CURRENTLY CONSIDERING WHETHER ETC DESIGNATION FOR**
11 **A WIRELESS CARRIER IS APPROPRIATE?**

12
13 A. No. The FCC has definitively concluded that ETC designation for a wireless carrier is
14 appropriate. The FCC's *Universal Service Order* discusses at length the different types of
15 carriers eligible to receive universal service support. *See Universal Service Order*, ¶¶ 127-
16 181. Specifically, the FCC determined that a wireless carrier, such as WWC, may be
17 designated as an ETC under Section 214(e). The FCC stated that

18 . . . any telecommunications carrier using any technology, including
19 wireless technology, is eligible to receive universal service support if it meets
20 the criteria established in Section 214(e)(1). We agree with the Joint Board
21 that any wholesale exclusion of a class of carriers by the [FCC] would be
22 inconsistent with the language of the statute and the pro-competitive goals of
23 the 1996 Act. *The treatment granted to certain wireless carriers under*
24 *section 332(c)(3)(A) does not allow states to deny wireless carriers eligible*
25 *status.*

26
27 *See Universal Service Order*, ¶ 145 (emphasis added).

1 Q. HAS THE FCC MORE RECENTLY REAFFIRMED ITS DIRECTIVE THAT ETC
2 DESIGNATION FOR A WIRELESS CARRIER IS APPROPRIATE?
3

4 A. Yes. On May 28, 1999, the FCC released its Seventh Report and Order and Thirteenth Order
5 on Reconsideration relating to *In the Matter of Federal-State Joint Board on Universal*
6 *Service*, CC Docket 96-45, Report and Order, FCC 99-119 (rel. May 28, 1999) ("*Seventh*
7 *Report and Order*"). Although the *Seventh Report and Order* primarily addresses revisions
8 to the federal support mechanisms, the FCC reaffirmed its policy of making high-cost
9 support available to all telecommunications carriers, including incumbent LECs, competitive
10 landline carriers and wireless carriers. *See Seventh Report and Order*, ¶ 71. More
11 specifically, the FCC concluded that its policy established in the first *Universal Service*
12 *Order* of making support available to all eligible telecommunications carriers should
13 continue. The FCC stated:

14 [a]ll carriers, including commercial mobile radio service (CMRS) carriers,
15 that provide the supported services, regardless of the technology used, are
16 eligible for ETC status under section 214(e)(1). We reiterate that the plain
17 language of section 214(e) prohibits the [FCC] or the states from adopting
18 additional eligibility criteria beyond those enumerated in section 214(e)(1).
19 We also affirm that under section 214(e), a state commission must designate
20 a common carrier, including carriers that use wireless technologies, as an
21 eligible carrier if it determines that the carrier has met the requirements of
22 section 214(e)(1). We re-emphasize that the limitation on a state's ability to
23 regulate rates and entry by wireless service carriers under section 332(c)(3)
24 does not allow the states to deny wireless carriers ETC status.
25

26 *See Seventh Report and Order*, ¶ 72 (footnotes omitted). This excerpt is significant for
27 several reasons. First, the FCC reaffirmed the eligibility of a CMRS provider such as WWC

1 to be designated an ETC. Second, the FCC ruled that a state commission's inability to
2 regulate rates and entry of a CMRS provider is not a basis to deny ETC status.

3 **Q. AS FOR THE SECOND REQUIREMENT THAT WWC OFFER THE SUPPORTED**
4 **SERVICES, WHAT ARE THE SUPPORTED SERVICES THAT MUST BE**
5 **OFFERED?**

6
7 A. The FCC has identified the following services and functionalities as the core services to be
8 offered by an ETC and supported by federal universal service support mechanisms:

- 9 1. voice-grade access to the public switched network;
- 10 2. local usage;
- 11 3. dual tone multi-frequency signaling or its functional equivalent;
- 12 4. single-party service or its functional equivalent;
- 13 5. access to emergency services;
- 14 6. access to operator services;
- 15 7. access to interexchange services;
- 16 8. access to directory assistance;
- 17 9. toll limitation for qualifying low-income consumers

18 *See 47 C.F.R. § 54.101(a).*

19 **Q. DOES WWC CURRENTLY PROVIDE THE SUPPORTED SERVICES IDENTIFIED**
20 **ABOVE USING ITS CELLULAR NETWORK THAT IS IN PLACE TODAY?**

21
22 A. Yes.

1 Q. DOES WWC ASSUME THE OBLIGATION TO OFFER EACH OF THESE
2 SERVICES TO ANY CONSUMER IN THE REQUESTED DESIGNATED SERVICE
3 AREAS AS REQUIRED BY SUBSTANTIVE RULE § 26.418(g)(1)(B)(ii)?
4

5 A. Yes.

6 Q. COULD YOU EXPLAIN EACH OF THE SUPPORTED SERVICES AND HOW
7 WWC PROVIDES THESE SERVICES?
8

9 A. Yes. Each of these federal universal services is discussed more fully below.

10 a. Voice-grade access to the public switched telephone network. The FCC
11 concluded that voice-grade access means the ability to make and receive phone calls,
12 transmitting voice frequencies within the 300 to 3000 Hertz frequency range, a bandwidth
13 of approximately 2700 Hertz. *See Universal Service Fourth Order on Reconsideration*, FCC
14 97-420 (rel. Dec. 30, 1997). There is no requirement that an ETC support high-speed data
15 transmissions. *See Universal Service Order*, ¶¶ 63-64. WWC meets this requirement of
16 providing voice-grade access to the public switched network. Through its interconnection
17 arrangements with local telephone companies, including Southwestern Bell, all customers
18 of WWC are able to make and receive calls on the public switched network within the
19 specified bandwidth.

20 b. Local usage. Beyond providing access to the public switched network, an
21 ETC must include an amount of free local usage as part of a universal service offering. To
22 date, the FCC has not quantified a minimum amount of local usage required to be included
23 in a universal service offering, but has initiated a separate proceeding to address this issue.
24 *See Universal Service Further Notice of Proposed Rulemaking*, FCC 98-278 (rel. Oct.26.

1 1998) ("*October 1998 NPRM*"). As it relates to local usage, the NPRM sought comments
2 on a definition of the basic service package that must be offered by all ETCs. Specifically,
3 the FCC sought comments on how much, if any, local usage should be required to be
4 provided to customers as part of a universal service offering. *See October 1998 NPRM*, ¶¶
5 46-52. In the *Universal Service Order*, the FCC deferred a determination on the amount of
6 local usage that an ETC would be required to provide. *See Universal Service Order*, ¶ 67.
7 Any minimum local usage requirement established by the FCC as a result of the *October*
8 *1998 NPRM* will be applicable to all designated ETCs. WWC will comply with any and all
9 minimum local usage requirements adopted by the FCC. In the meantime, WWC will meet
10 the local usage requirement by including local usage as part of a universal service offering.
11 For example, as explained below, WWC intends to offer unlimited local usage in one of its
12 universal service offerings.

13 c. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent.

14 DTMF is a method of signaling that facilitates the transportation of call set-up and call detail
15 information. Consistent with the principles of competitive and technological neutrality, the
16 FCC permits carriers to provide signaling that is the functional equivalent of DTMF in
17 satisfaction of this service requirement. *See* 47 C.F.R. § 54.101(a)(3). WWC currently uses
18 out-of-band digital signaling and in-band multi-frequency ("MF") signaling that is
19 functionally equivalent to DTMF signaling. WWC therefore meets the requirement to
20 provide DTMF signaling or its functional equivalent.

1 d. Single-party service or its functional equivalent. "Single-party service"
2 means that only one party will be served by a subscriber loop or access line, in contrast to
3 a multi-party line. See 47 C.F.R. § 54.101(a)(4); *Universal Service Order*, ¶ 62. WWC
4 meets the requirement of single-party service by providing a dedicated message path for the
5 length of all customer calls.

6 e. Access to emergency services. The ability to reach a public emergency
7 service provider by dialing 911 is a required service in any universal service offering. WWC
8 currently provides all of its customers with access to emergency services by dialing 911 in
9 satisfaction of this requirement.

10 Enhanced 911 or E911, which includes the capability of providing both automatic
11 numbering information ("ANI") and automatic location information ("ALI"), is only required
12 if a public safety answering point ("PSAP") is capable of receiving and using such
13 information and makes a request to receive such information. See *Universal Service Order*,
14 ¶¶ 72-73. WWC stands ready to provide E911 service to its customers once a PSAP has the
15 ability to receive ANI and ALI from WWC. The Company will work with PSAPs within its
16 designated universal service areas to make E911 service available to its customers.

17 f. Access to operator services. Access to operator services is defined as any
18 automatic or live assistance provided to a consumer to arrange for the billing or completion,
19 or both, of a telephone call. See *Universal Service Order*, ¶ 75. WWC meets this
20 requirement by providing all of its customers with access to operator services provided by
21 either the Company or other entities (e.g. LECs, IXC, etc.).

1 g. Access to interexchange service. A universal service provider must offer
2 consumers access to interexchange service to make and receive interexchange calls. WWC
3 presently meets this requirement by providing all of its customers with the ability to make
4 and receive interexchange or toll calls through direct interconnection arrangements the
5 Company has with several interexchange carriers (IXCs). Additionally, customers are able
6 to reach their IXC of choice by dialing the appropriate access code.

7 Equal access, however, is not required. "The FCC do[es] not include equal access
8 to interexchange service among the services supported by universal service mechanisms."
9 *See Universal Service Order*, ¶ 78.

10 h. Access to directory assistance. The ability to place a call directly to directory
11 assistance is a required service offering. White pages directories and listings are not required
12 service offerings. *See Universal Service Order*, ¶¶ 80-81. WWC meets this requirement by
13 providing all of its customers with access to directory assistance by dialing "411" or "555-
14 1212."

15 i. Toll limitation for qualifying low-income consumers. An ETC must offer
16 either "toll control" or "toll blocking" services to qualifying Lifeline customers at no charge.
17 The FCC no longer requires an ETC to provide both services as part of the toll limitation
18 service required under 47 C.F.R. § 54.101(a)(9). *See Universal Service Fourth Order on*
19 *Reconsideration*, FCC 97-420 (rel. Dec. 30, 1997). In particular, all ETCs must provide toll
20 blocking, which allows customers to block the completion of outgoing toll calls. *See*
21 *Universal Service Order*, ¶ 82. WWC currently has no Lifeline customers because only a

1 carrier designated as an ETC can participate in Lifeline. *See* 47 C.F.R. § 54.400-.415. Once
2 designated an ETC, WWC will participate in Lifeline, Link Up, and Tel-Assistance as
3 required, and will provide toll blocking in satisfaction of federal and State requirements.
4 Today, the Company provides toll-blocking services for international calls and customer
5 selected toll calls. WWC can and will utilize the same toll blocking technology to provide
6 the service to its Lifeline, Link Up, and Tel-Assistance customers, at no charge, as part of
7 its universal service offerings.

8 **Q. HOW WILL WWC COMBINE THE SUPPORTED SERVICES INTO A UNIVERSAL**
9 **SERVICE OFFERING?**

10
11 A. WWC currently provides the supported services using its existing network infrastructure and
12 licensed CMRS spectrum in Texas. Upon designation, WWC will combine the supported
13 services into a universal service offering that will be provided to consumers using the same
14 antennae, cell sites, towers, trunk lines, mobile switching center, and interconnection
15 facilities used for conventional mobile cellular service. Attached as Attachment A are maps
16 depicting the scope of WWC's signal coverage today in Texas as well as the proposed ETC
17 and ETP designated service areas. WWC also regularly deploys additional cell sites and
18 channels, as necessary, to maximize signal coverage and service availability.

19 WWC intends to offer its universal service package as a "wireless local loop"
20 application that can be accomplished without any changes to WWC's existing network. A
21 wireless local loop simply involves the installation of a wireless access unit at a customer's
22 location to transmit the signal to the nearest cell site. The wireless local loop technology

1 functions as a replacement for the "last mile" of copper wire of the incumbent LEC. The
2 wireless access unit is a piece of equipment that serves as the interface to the WWC network
3 over the CMRS spectrum in the same manner as a hand-held cellular phone. A wireless
4 access unit is more powerful than a conventional cellular handset, simulates dial-tone, and
5 allows customers to plug in fax machines, answering machines, or other peripheral devices.

6 The use of a wireless local loop will ensure that universal service customers will have a
7 clear, consistent signal.

8 WWC understands that there are spots within its coverage area where a mobile
9 cellular customer may not have strong signal coverage. Wireless local loop technology
10 solves this problem. When a prospective customer requests universal service using a
11 wireless local loop, a WWC customer service technician will meet with the customer at the
12 customer's residence. The customer service technician will bring a wireless access unit,
13 place the unit in the home, and test the signal. Because the wireless access unit uses three (3)
14 watts of power, as opposed to 0.5 watts for a mobile cellular handset, reception is greatly
15 improved.

16 **Q. DO YOU EXPECT THAT THERE WILL BE ANY CUSTOMERS IN THE**
17 **PROPOSED DESIGNATED SERVICE AREAS THAT ARE UNABLE TO RECEIVE**
18 **ADEQUATE SIGNAL STRENGTH TO RECEIVE THE SERVICES?**

19
20 **A.** No. However, if reception is for some reason not adequate, the technician will install a high-
21 gain antenna on the residence and re-test the signal strength. Thus, by the end of the initial
22 service call, a customer anywhere in WWC's requested designated service areas will have
23 a clear signal. In the unlikely event that a customer is still unable to receive a strong,

1 consistent signal, WWC will increase the power of the closest cell site, which can and will
2 be done in a matter of days. Thus, any signal strength concerns based on the use of
3 conventional mobile cellular handsets are avoided by the use of the wireless access unit,
4 which enhances the strength of reception for the customer. Using the same technology,
5 WWC currently provides a type of "universal service" to residents of Reese River and
6 Antelope Valley, Nevada; Regent, North Dakota; and in parts of Kansas and Minnesota.

7 **Q. CAN YOU EXPLAIN WHAT WWC'S PROPOSED UNIVERSAL SERVICE**
8 **OFFERING WILL PROVIDE TO CONSUMERS ONCE THE COMMISSION**
9 **APPROVES THE APPLICATION?**

10
11 A. Yes. WWC will make available to consumers within its designated service areas the
12 supported services tailored to meet the consumers' communications needs. One such
13 offering may look similar to services provided today by the LECs with certain additional
14 features and services. For a fixed monthly charge, WWC will initially offer consumers the
15 core, supported services with unlimited local usage, an expanded local calling area larger
16 than that offered by the incumbent LEC, a per minute charge for long distance calls, and
17 optional features and services, such as voice mail, caller-ID, call waiting, call forwarding,
18 and conference calling. WWC anticipates making this offering available for \$14.99 per
19 month. WWC has not finalized its universal service rates, but expects to do so upon being
20 designated an ETC.

21 Another universal service offering is expected to be a usage-sensitive plan under
22 which a universal service customer would receive the core, supported services with a limited

1 number of minutes of usage for a single monthly rate. Additional minutes of usage would
2 be charged on a per-minute basis.

3 **Q. HOW WILL WWC'S UNIVERSAL SERVICE OFFERINGS COMPARE TO THE**
4 **CONVENTIONAL CELLULAR SERVICE IT PROVIDES TODAY?**

5
6 A. WWC will provide services and features as part of its universal service offerings that are
7 tailored to a consumer's telecommunication needs. Consumer preferences will ultimately
8 shape and determine the complementary services and features included in a universal service
9 offering. WWC believes that, if given a choice that is not currently available, consumers will
10 likely choose a universal service offering that combines certain services and features
11 traditionally associated with local exchange service together with certain services and
12 features traditionally associated with a wireless service offering. For example, consumers
13 may want flat-rated service that is typically associated with local exchange service, but a
14 larger local calling area and mobility options that are typically associated with wireless
15 service. Thus, WWC's universal service offering will not look like conventional local
16 exchange service or conventional cellular service, but will have attributes of both types of
17 services.

18 **Q. A THIRD REQUIREMENT FOR DESIGNATION AS AN ETC IS TO ADVERTISE**
19 **THE AVAILABILITY OF THE SUPPORTED SERVICES. HOW DOES WWC**
20 **INTEND TO ADVERTISE THE AVAILABILITY OF THE SUPPORTED**
21 **SERVICES?**

22
23 A. Based upon the recommendations of the Joint Board, the FCC has not adopted particular
24 standards regarding advertising using media of general distribution under Section 214(e)(1).
25 *See Universal Service Order*, ¶ 148. Similarly, the Commission has not promulgated

1 specific requirements for advertising by an ETC. *See* Substantive Rule § 26.418(c)(2).
2 WWC will advertise the availability of the supported services and the corresponding charges
3 in a manner that fully informs the general public within the designated service areas of such
4 services and charges. WWC currently advertises its wireless services through several
5 different media, including newspaper, television, radio, and billboard advertising. WWC
6 also maintains various retail store locations throughout its authorized service areas, which
7 provide an additional source of advertising. WWC's current advertising is not limited to
8 advertising in business publications alone, but rather includes publications targeted to the
9 general residential market. WWC will use the same media of general distribution that it
10 currently employs to advertise its universal service offerings throughout the service areas
11 designated by the Commission. WWC will also comply with all form and content
12 requirements, if any, adopted by the FCC or the Commission in the future and required of
13 all designated ETCs.

14 **Q. IN WHAT SERVICE AREAS IS WWC SEEKING DESIGNATION AS AN ETC?**

15
16 A. The FCC defines the term "service area" as a geographic area established by a State
17 commission for the purpose of determining universal service obligations and support
18 mechanisms. *See* 47 C.F.R. § 54.207(a). In those areas served by a rural telephone
19 company, service area means the company's study area unless the State and the FCC, after
20 taking into account recommendations of the Federal-State Joint Board on Universal Service,
21 establish a different definition of service area for a rural company. *See* 47 C.F.R. § 54.207(b)

1 and Substantive Rule § 418(b)(2). For a non-rural LEC, an ETC's designated service area
2 can be established on an exchange basis. *See* Substantive Rule § 418(b)(1).

3 WWC seeks designation as an ETC in the non-rural service areas (identified by ILEC
4 exchanges) and rural LEC study areas described in Attachment B. WWC provides complete
5 coverage to these areas with its existing network and is eligible to be designated an ETC in
6 these areas without further action by the FCC.

7 Attachment A is a map that shows WWC's cellular coverage area and all the service
8 areas for which WWC seeks designation as an ETC .

9 **Q. BEFORE DESIGNATING WWC AS AN ETC, IS THE COMMISSION REQUIRED**
10 **TO FIND THAT THE DESIGNATION IS IN THE PUBLIC INTEREST?**

11
12 A. In territories served by a non-rural telephone company such as Southwestern Bell Telephone
13 and GTE, a public interest finding is not required and is not a prerequisite for designation as
14 an ETC. In territories served by a rural telephone company, a public interest finding is
15 required for designation of more than one common carrier as an ETC. *See* 47 U.S.C. §
16 214(e)(2); Substantive Rule § 26.418(e).

17 **Q. IS THERE A SIMILAR REQUIREMENT FOR WWC TO BE NAMED AN ETP FOR**
18 **RECEIPT OF FUNDS FROM THE TUSF?**

19
20 A. Yes. Substantive Rule § 26.417(d) requires a finding that the Application for ETP
21 designation is in the public interest.

1 Q. IS THE DESIGNATION OF WWC AS AN ADDITIONAL ETC AND ETP IN THE
2 PUBLIC INTEREST?

3
4 A. Yes. An important purpose of the Act was to promote competition in the local telephone
5 market. In the Act, "public interest" is analyzed as a way of determining whether
6 competition will be promoted and if so, whether consumers will ultimately realize benefits
7 related to the competition and the new services provided. The hallmark of a competitive
8 marketplace is the maximization of consumer choice. In evaluating the public interest factor
9 the Commission should thus determine whether consumers can be expected to benefit from
10 the designation of an additional ETC or ETP. The Commission should make this
11 determination from the presumption that competition benefits consumers, and that citizens
12 throughout the State are entitled to competitive universal service markets. This approach is
13 consistent with the Texas Legislature's statement that it is the policy of the State to
14 "encourage a fully competitive telecommunications marketplace" by fostering free market
15 competition and regulating on a competitively neutral basis. *See* PURA § 51.001(b)-(c).

16 Granting WWC status as an ETC and ETP will, for the first time, allow Texas' rural
17 consumers a competitive choice of providers for their basic telecommunications needs.
18 Consumers will be able to choose service based on their own needs, not based only on what
19 is offered by the LEC. When the Commission designates a competing carrier as an ETC and
20 ETP, consumers will then be able to choose basic service based upon which carrier provides
21 the best pricing, services, service quality, customer service, and service availability.

1 Having this choice will be significant to rural consumers because WWC's universal
2 service offerings will provide benefits not otherwise available from the landline LECs. For
3 example, current universal service offerings by incumbent LECs have restricted local calling
4 areas bound by the limitations of landline technology. WWC will provide an expansive local
5 calling area, which will be of great benefit to consumers who currently have to pay toll
6 charges to reach local government offices, health care providers, businesses or family outside
7 of a restricted landline calling area. WWC provides high quality customer service that is
8 available 24 hours a day, 7 days a week. WWC's service will also provide the benefits of
9 mobility, which will have great appeal to many rural consumers. Ultimately, WWC will
10 provide innovative service offerings that will be tailored to consumers' needs. In addition
11 to increased choices, Texas' consumers can also expect lower rates and better service
12 resulting from competition in the marketplace.

13 Finally, it is in the public interest to grant WWC's Application because rural
14 customers will benefit from the increased availability of wireless service. This is especially
15 significant given that within a short period of time, WWC's network will have the capability
16 of providing advanced services that meet or exceed what can be provided on a landline
17 network. The Commission should continue to facilitate the development of WWC network
18 so that Texas' rural consumers will have access to these developing technologies to the same
19 degree as urban consumers. Allowing WWC to receive support from the federal fund and
20 the TUSF increases the likelihood that cellular technology will be available to more rural
21 consumers at an affordable price.

1 WWC stands ready, willing and able to bring benefits of competition to consumers
2 in Texas through benefits of consumer pricing, better service quality, immediate service
3 availability, and better customer service.

4 **Q. SHOULD THE COMMISSION CONSIDER IMPACTS THAT MIGHT RESULT TO**
5 **THE LECS AS A RESULT OF COMPETITION FROM WWC?**

6
7 A. WWC believes competition is mandated by both State and federal law, and that a decision
8 to insulate rural LECs from competition is not only contrary to these mandates it is harmful
9 to consumers. WWC is also convinced that rural LECs are fully able to respond to
10 competition, and will do so by competing for customers, reducing costs, and exploring new
11 revenue streams. It is especially important not to insulate rural LECs from competition given
12 the funds available from the TUSF, and the “make whole” provision that allows LECs relief
13 if the impact of competition is too severe.

14
15 **III. ADDITIONAL REQUIREMENTS FOR ETP DESIGNATION**

16
17 **Q. WWC IS ALSO SEEKING DESIGNATION AS AN ETP UNDER THE TUSF,**
18 **CORRECT?**

19
20 A. Yes.

21 **Q. IN ADDITION TO BEING A FEDERAL ETC, WHAT OTHER REQUIREMENTS**
22 **MUST WWC SATISFY TO BE DESIGNATED AS AN ETP?**

23
24 A. The requirements for state eligible provider designation are set forth in Substantive Rule §
25 26.417(c). Substantive Rule § 26.417(c)(1)(B) first requires an applicant to assume the
26 obligation to offer any customer in its ETP service area the state supported services at a rate
27 no higher than 150% of the LEC’s tariffed rate. Those services are:

- 1 (A) flat rate, single party residential and business local exchange telephone
- 2 service, including primary directory listings;
- 3 (B) tone dialing service;
- 4 (C) access to operator services;
- 5 (D) access to directory assistance services;
- 6 (E) access to 911 service where provided by a local authority;
- 7 (F) dual party relay service;
- 8 (G) the ability to report service problems seven days a week;
- 9 (H) availability of an annual local directory;
- 10 (I) access to toll services; and
- 11 (J) lifeline and tel-assistance services.

12
13 **Q. WILL WWC PROVIDE ALL OF THESE SERVICES?**

- 14
15 A. Yes. For the most part, the State supported services mirror the federal supported services.
- 16 The federal USF mechanism does not support flat rates, tone dialing service or a local
- 17 directory. WWC provides the functional equivalent of dial tone, and will provide a local
- 18 directory to its universal service customers, and will provide a flat rate offering within 150%
- 19 of the LEC's tariffed rate.

20 **Q. WHAT IS THE NEXT REQUIREMENT FOR ETP DESIGNATION?**

- 21
22 A. An ETP must render continuous and adequate service in compliance with service quality
- 23 standards of Substantive Rules § 26.52, § 26.53, and § 26.54. Those standards are applicable
- 24 to dominant certificated telecommunications utilities, and not to a CMRS provider who is
- 25 an ETP or an ETC. Notwithstanding, the fact that these requirements are not applicable to
- 26 CMRS providers, WWC will meet all standards embodied in these rules.