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October 26, 2000

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VIA FEDERAL EXPRESS

Secretary
Federal Communications Commission
445 - 12th Street S.W. TW-A325
Washington, D.C. 20554

Re: CC Docket 96-45

Dear Secretary:

Enclosed please find for filing an original and 4 copies of the Reply Comments of United States Cellular Corporation on Further Notice of Proposed Rulemaking. We are enclosing an additional copy and self-addressed, stamped envelope. We would appreciate it if you would return this copy to us with an indication the document has been filed.

Please contact me at (206) 233-2998 if you have any questions or comments. Thank you.

Very truly yours,

WILLIAMS, KASTNER & GIBBS PLLC



Judith A. Endejan

END:ks
Enclosures

cc: Peter M. Connolly (w/encl.)
Mary Davis, U.S. Cellular (w/encl.)

cc: [Handwritten initials] 944
[Handwritten initials]

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of:

Federal-State Joint Board on Universal Service;
Promoting Deployment and Subscribership in
Unserved and Underserved Areas, Including
Tribal and Insular Areas

CC DOCKET 96-45

REPLY COMMENTS OF UNITED STATES
CELLULAR CORPORATION ON FURTHER
NOTICE OF PROPOSED RULEMAKING

Only three telecommunications carriers other than United States Cellular Corporation responded to the Commission's Order and Further Notice of Proposed Rulemaking, released August 31, 2000. Of the three, only AT&T Corp. ("AT&T") urged the Commission to confine the enhanced Lifeline and Link Up programs to qualifying low income individuals on reservations. SBC Communications, Inc. ("SBC"), in contrast, supported expanding eligibility for enhanced Lifeline and Link Up so long as the Commission makes a reasonable attempt to target enhanced areas within or near reservations possessing the characteristics cited by the Commission as warranting enhanced support. These characteristics are: geographic isolation, a high rate of poverty, and a low telephone subscribership level. Verizon Communications, Inc. ("Verizon") took a middle ground, urging the Commission to study the effectiveness of its current enhanced programs before broadening it to include other potentially qualifying low income individuals. Verizon suggested that the Commission conduct a fact inquiry to determine if "near the reservation" areas require additional support. The Washington Utilities and Transportation Commission ("WUTC") filed comments recommending that expanded support be provided in local exchange areas that contain any portion or the entirety of a tribal reservation.

United State Cellular Corporation (“USCC”) in its opening comments was the only party to advocate extension of expanded support to the “near reservation areas” ordered in the Twelfth Report and Order.¹ However, USCC recommended that the Commission exclude geographic areas such as Consolidated Metropolitan Statistical Areas (“CMSAs”), which do not have the qualifying characteristics to warrant enhanced support.

USCC agrees with the other parties filing comments that it may be difficult to target with precision those geographic areas outside of reservations which warrant enhanced support. However, the fact that a task is difficult does not mean that it should not be undertaken. USCC’s approach is a pragmatic way to target enhanced Lifeline/Link Up support to achieve the Commission’s goals as expressed in the Twelfth Report and Order. It recognizes the expertise of the Bureau of Indian Affairs (“BIA”) in identifying geographic areas based on county lines, which warrant federal economic assistance to tribal member because of factors which establish a linkage to tribal reservations. See 25 C.F.R. § 20.1(r). USCC would exclude those counties which are most urban by using readily available statistical information from the federal Office of Management and Budget (“OMB”). Just as the BIA publishes designated “near reservation” counties, the Commission could publish this list, as modified to delete counties within a CMSA. This approach probably would eliminate heavily populated counties such as Sacramento County, California, and Maricopa County, Arizona, cited by AT&T as examples of places where enhanced support is not warranted.

USCC’s approach is the most practical means of identifying qualifying areas – by county – rather than by local exchange areas, as recommended by the WUTC. USCC could not practically administer a local exchange-based program because it does not have local exchanges,

¹ See Federal-State Joint Board on Universal Service: Promoting Deployment and Subscribership in Unserved and Underserved Areas, including Tribal and Insular Areas, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, FCC, 00-208, released June 30, 2000 (“Twelfth Report and Order”).

as a wireless carrier. The Commission should avoid adopting rules which cannot be applied in a technologically neutral manner.

USCC advocates an approach which is proactive and would facilitate the Commission's goal of enhancing subscribership. In contrast, AT&T's approach would clearly exclude many of the individuals the Commission intended to target in its Twelfth Report and Order. AT&T's approach fails to address adequately the real need identified in the Twelfth Report and Order and would produce the unfortunate result of leaving out many customers who suffer from the same disadvantages as the narrow group of customers covered because of Reservation residency. Instead, the enhanced Lifeline and Link Up support program as expanded pursuant to USCC's suggestion should be put into place. Such an expansion should not lead to an overdepletion of the Lifeline and Line Up funds, as feared by AT&T.

The fact remains that many "near reservation areas" indeed do possess the same qualifying characteristics of reservation lands. Qualifying low income residents in those areas should not be excluded simply because they do not reside on a reservation. A rational basis does exist for treating residents in qualifying areas different from residents in non-qualifying areas. The qualifying criteria of geographic isolation, high rates of poverty and low telephone subscribership, provide the justification for the enhanced level of Lifeline and Link Up support. Using the combined approach of starting with the BIA designation and excluding clearly non-qualifying areas such as CSMAAs, USCC's approach provides the best means of ensuring that qualifying areas are included, rather than excluded.

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USCC urges the Commission to accept its approach which is not necessarily inconsistent with the recommendations of the WUTC, SBC and Verizon. However, AT&T's narrow approach will not achieve the Commission's goals and should be rejected.

RESPECTFULLY SUBMITTED this 26th day of October, 2000.

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