

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
Federal-State Joint Board	)	
On Universal Service	)	CC Docket No. 96-45
	)	
Applications for Review of Orders	)	DA 03-45
Designating Eligible Telecommunications	)	
Carriers in the State of Alabama	)	

**REPLY COMMENTS OF THE  
ALABAMA RURAL LOCAL EXCHANGE CARRIERS  
("Alabama Rural LECs")**

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February 24, 2003

**Alabama Rural LECs:**  
Ardmore Telephone Company  
Blountsville Telephone Company  
Brindlee Mountain Telephone Company, Inc.  
Butler Telephone Company, Inc.  
Castleberry Telephone Company, Inc.  
CenturyTel of Alabama, LLC  
Frontier Communications of Alabama, Inc.  
Frontier Communications of Lamar County, Inc.  
Frontier Communications of the South, Inc.  
Graceba Total Communications, Inc.  
GTC, Inc.  
Gulf Telephone Company  
Hayneville Telephone Company, Inc.  
Hopper Telecommunications Company, Inc.  
Interstate Telephone Company  
Millry Telephone Company, Inc.  
Mon-Cre Telephone Cooperative, Inc.  
Moundville Telephone Company, Inc.  
New Hope Telephone Cooperative, Inc.  
Oakman Telephone Company  
OTELCO Telephone LLC  
Peoples Telephone Company  
Ragland Telephone Company  
Roanoke Telephone Company, Inc.  
Union Springs Telephone Company, Inc.  
Valley Telephone Company

Reply Comments of the Alabama Rural LECs  
February 24, 2003

CC Docket 96-45  
DA 03-45

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## Summary

Congress, in enacting the Telecommunications Act of 1996, foresaw that providing universal service support to multiple ETCs in certain rural portions of the country would not be in the “public interest.” The Alabama Rural Local Exchange Carriers (“Alabama Rural LECs”) and the Commentators in this proceeding who support their Applications for Review urge a “public interest” analysis that focuses on all relevant factors and acknowledges that when the costs of supporting multiple carriers exceed the benefits gained, only a single carrier should receive explicit high cost support.

The Alabama Rural LECs, along with others, have expressed concern and provided documentation concerning the growth of the high-cost fund resulting from the perfunctory grant of multiple ETC applications in rural areas such as those served by the Alabama Rural LECs. The Commission must not ignore its own conclusion that “there have been many changes in the telecommunications marketplace”, including the receipt of more high-cost support dollars by competitive ETCs and continued growth in universal service. It also must not ignore its response to these conclusions evidenced in its November 8, 2002 Order requesting the Federal-State Joint Board on Universal Service review certain of the Commission’s rules relating to the portability of high-cost universal service support.

The Alabama Rural LECs and those groups filing Supporting Comments in this proceeding appropriately request the Commission to delay ruling on, not necessarily the processing of, individual competitive ETC applications in high-cost rural areas like Alabama

until these issues have been resolved. Pursuant to Commission directive, the entire ETC designation process is being reviewed. It is counterintuitive to proceed forward in an area that has been pronounced unsettled and where evidence of how the public interest is served is in doubt because of the very nature of the geographic areas impacted by continued action. Yet, the Wireline Competition Bureau's *Memorandum Report and Orders* granting RCC Holdings, Inc.'s and Cellular South License, Inc.'s petitions to be designated as eligible telecommunications carriers throughout their licensed service areas in the state of Alabama do just that.

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**REPLY COMMENTS OF THE  
ALABAMA RURAL LOCAL EXCHANGE CARRIERS**

The Alabama Rural Local Exchange Carriers (“Alabama Rural LECs”) hereby submit these Reply Comments in the above referenced proceeding. The purpose of these Reply Comments is to express specific concurrence with the concerns and positions expressed in the Supporting Comments<sup>1</sup> and disagreement with the comments of Dobson Communications Corporation (the “Opposing Comments”), all filed February 10, 2003.

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<sup>1</sup> The term “Supporting Comments” refers to the collective Comments filed by each of the following: Alaska Telephone Association (“ATA”), CenturyTel of Alabama, LLC, Fred Williamson & Associates on behalf of Oklahoma and Kansas ILECs, Minnesota Independent Coalition, National Telecommunications Cooperative Association (“NTCA”), Nebraska Rural Independent Companies, Oregon Telecommunications Association (“OTA”) and Washington Independent Telephone Association (“WTIA”), Organization for the Promotion and Advancement of Small Telecommunications Companies (“OPATSCO”) and Telcom Consulting Associates (“TCA”). Any references to Supporting Comments of individual Commentators in these Reply Comments will be referred to, for example, as “Comments of ATA”. Dobson Communications Corporation was the sole entity filing initial comments opposing the Petitions for Review in the pleading cycle established by the Commission in *Pleading Cycle established for Comments regarding Applications for Review of Orders Designating Eligible Telecommunications Carriers in the State of Alabama*, Public Notice, CC 96-45, DA 03-45 (rel. Jan. 10, 2003).

**I. The Public Interest Analysis of the WCB in the Alabama Designation Orders is Flawed.**

The Supporting Comments establish that the Wireline Competition Bureau (“WCB”) erred in its application of the Public Interest determination required by Section 214 of the 1996 Act<sup>2</sup> in the Alabama Designation Orders.<sup>3</sup> The WCB’s analysis fails to properly address the Communications Act’s “twin objectives – support for competitive entry into telecommunications markets and support for universal service.”<sup>4</sup> “[T]he advancement of competition cannot be the primary reason for distinguishing a second ETC in a rural area.”<sup>5</sup> In fact, as emphasized in the Comments of the OTA and WTIA, “[t]he public interest in designation of an ETC is universal service.”<sup>6</sup>

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<sup>2</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (“1996 Act”). The 1996 Act amended the Communications Act of 1934. 47 U.S.C. §§ 151, *et seq.* (“Communications Act”, “1996 Act” or “Act”). Any references to section 254 in this Reply refers to the universal service provisions of the 1996 Act, which are codified at 47 U.S.C. § 254 of the Act.

<sup>3</sup> *RCC Holdings, Inc.* (“RCC”) *Petition for Designation as an Eligible Telecommunications Carrier throughout its Licensed Service Area in the State of Alabama*, Memorandum Opinion and Order, DA 02-3181 (rel. Nov. 27, 2002) (“RCC Order”); *Cellular South License, Inc.* (“CellSouth”) *Petition for Designation as an Eligible Telecommunications Carrier throughout its Licensed Service Area in the State of Alabama*, Memorandum Opinion and Order, DA 02-3317 (rel. Dec. 4, 2002) (“CellSouth Order”) (RCC Order and CellSouth Order, collectively, “Alabama Designation Orders”).

<sup>4</sup> Comments of Small Rural ILECs operating in Kansas and Oklahoma at 4.

<sup>5</sup> Comments of OTA & WTIA at 13.

<sup>6</sup> *Id.* at 15.

“In the Designation Orders, the WCB states that the Commission’s policy is to “promot[e] competition in *all* areas, including high-cost areas.”<sup>7</sup> This conclusion is incomplete and consequently inconsistent with Congressional directive. The promotion of competition through an additional eligible telecommunications carrier (“ETC”) designation in an area served by a rural telephone company is appropriate only where the public interest standard is met.<sup>8</sup> However, neither RCC nor CellSouth provides support for its implied proposition that customers in rural Alabama within the actual service area of such carriers lack competitive alternatives today, and have little, or no choices, with regard to providers. Indeed, it is undisputed that wireless carriers are already winning and serving customers in those portions of rural Alabama, in general, and in the areas served by the Alabama Rural LECs, in particular.<sup>9</sup> Exhibit A is a map that shows the number of wireless providers, by county, for the entire United States.<sup>10</sup> It clearly shows that no Alabama counties have fewer than three Commercial Mobile Radio Service (“CMRS”) providers, and most counties, even in rural parts of the state, have from four to seven

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<sup>7</sup> RCC Order at para. 26 (emphasis added); CellSouth Order at para. 28 (emphasis added).

<sup>8</sup> In its Comments in this proceeding, OPATSCO specifically noted that the Commission should specifically review this WCB conclusion, noting that “[i]n the context of considering whether or not an additional ETC will serve the public interest in a rural service area, this policy conflicts with Section 214(e)(2) of the Communications Act, as amended.” Comments of OPATSCO at 3.

<sup>9</sup> See RCC Application for Review at 22 and 23 and Alabama Rural LECs *ex parte* in CC Docket 96-45, DA-02-746 (filed October 15, 2002) (“October 15 *ex parte*”).

<sup>10</sup> Exhibit A is Map 1, Mobile Telephone Operator Coverage estimated by County, *In the Matter of Implementation of Section 6002(b) of the OBRA of 1993, Annual Report and Analysis of Competitive Market Conditions with respect to Commercial Mobile Services*, FCC 02-179, Seventh Report at Appendix E-2 (rel. July 3, 2002) (“Exhibit A” or “Map 1, Appendix E-2”).

CMRS providers.<sup>11</sup> Provision of scarce universal service dollars is not likely to increase competitive entry or rural customer service options, particularly since the WCB failed to include any safeguards to ensure that RCC and CellSouth will actually use the new funds to increase coverage to the most remote portions of the rural areas, including even the residences of its wireless subscribers. It is likely, however, to significantly increase the demands on the Universal Service Fund (“USF”), as stated by the Supporting Commentators and the Alabama Rural LECs.<sup>12</sup> For these reasons, grant of ETC status to RCC and CellSouth will not result in benefits greater than the substantial costs created.

The WCB simply ignores any of the costs that will be created by their actions and declares any issues, facts or data that would indicate that the designation would harm consumers, companies and the public interest as “beyond the scope” of the Alabama Designation Orders. The WCB, acting under delegated authority, cannot disregard the Commission’s own directive to acknowledge “the significant differences among rural carriers, and between rural and non-rural carriers.”<sup>13</sup> The “analysis of the costs and benefits ... cannot be beyond the scope”<sup>14</sup> of the Alabama Designation Orders.

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<sup>11</sup> *Id.*

<sup>12</sup> *See, e.g.*, RCC Application for Review at 14 and 15 (also noting footnote numbered 35 that references prior filings by the Alabama Rural LECs addressing this position).

<sup>13</sup> *Federal-State Joint Board on Universal Service; Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking, CC Docket 96-45 and Report and

The rules call for a public interest analysis. However, “[i]t is making the public interest determination here that the Wireline Competition Bureau erred, principally by refusing to address issues raised by the Alabama Rural LECs.”<sup>15</sup> The facts in these cases and the evidence provided indicate that the designation of RCC and CellSouth as ETCs, as well as the precedent created, do not serve the public interest. Both carriers are simply asserting that “more is better” so that they may obtain scarce high-cost support dollars. In truth, more is not always better if it results in the misdirection of support away from its intended beneficiaries.

**II. The Public Interest Analysis of any ETC Designation Petition Cannot Ignore the Facts Specific to the Area Affected.**

RCC and CellSouth continue to ignore the unrefuted evidence put forth by the Alabama Rural LECs that “service is available to all known inhabited rural residences in Alabama within [the Alabama Rural LECs] territory.”<sup>16</sup> Data posted on the Wireless Telecommunications Bureau web site in conjunction with Tribal Bidding Credits indicates the 94% subscription rate in the Alabama Rural LEC territory is markedly different from the 41.4% “wireline subscription rate” on the Pine Ridge Reservation.<sup>17</sup> Because such significant portions of the Pine Ridge

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Order, CC Docket 00-256, 16 F.C.C.R. 11,244 ( 2001) (“*Fourteenth Report and Order*”) at para. 8 (footnote omitted).

<sup>14</sup> Comments of the Minnesota Independent Coalition at 3.

<sup>15</sup> *Id.* at 2.

<sup>16</sup> Alabama Rural LECs Comments in CC Docket No. 96-45, DA 02-746 (filed May 23, 2002) (“Alabama Rural LECs RCC Comments”) at 3. Alabama Rural LECs Comments in CC Docket No. 96-45, DA 02-1465 (filed July 3, 2002) (“Alabama Rural LECs CellSouth Comments”) at 3.

Reservation lacked service, awarding an additional ETC designation in that area was a weighty benefit. RCC and CellSouth, however, seek ETC designation in an area for which the record indicates no lack of service capability. “Unlike other states, none of the Alabama Rural LECs serve large, geographically dispersed service areas, which *might* justify consideration of a smaller area for universal service support.”<sup>18</sup> Exhibit A clearly illustrates the great difference between the Pine Ridge and Alabama areas.<sup>19</sup>

Both RCC and CellSouth suggest that references in the Pine Ridge Order to service inaccessibility should be ignored, asserting that they were made after the WCB had already concluded that the applicant had made the “threshold demonstration” necessary to secure an ETC grant.<sup>20</sup> In reality, the service inaccessibility finding was a critical part of the WCB’s “public interest” analysis in Pine Ridge. This was underscored in the introductory paragraph of the Pine Ridge Order, where the WCB notes that members of the Reservation “suffer from significant impediments to affordable telecommunications service.”<sup>21</sup> Later, the WCB makes it clear that the lack of accessibility was the primary basis for its conclusion that the application furthered the goal of ensuring the provision of affordable telephone service to area residents:

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<sup>17</sup> RCC Application for Review at 22; CellSouth Application for Review at 22.

<sup>18</sup> Alabama Rural LECs RCC Comments at 21; Alabama Rural LECs Comments at 19.

<sup>19</sup> Map 1, Appendix E-2.

<sup>20</sup> RCC Opposition at 8; Cellular South Opposition at 8.

<sup>21</sup> 16 F.C.C.R. 18,133 (2001) at para. 1.

Public Interest Analysis. We conclude that it is in the public interest to designate Western Wireless as an ETC in those areas of the Pine Ridge Reservation that are served by rural telephone companies. Western Wireless has made a threshold demonstration that its service offering fulfills several of the underlying federal policies favoring competition and the provision of affordable telecommunications service to consumers. We note that tribal members residing on the Pine Ridge Reservation may face impediments to affordable telecommunications service that may be addressed by the introduction of wireless service.<sup>22</sup>

Significantly, customers of the Alabama Rural LECs, do not “travel” with their wireline telephones away from their rural, isolated residences.<sup>23</sup> Consequently, the universal service support they receive will be used “only for the provision, maintenance, and upgrading of facilities for which the support is intended.”<sup>24</sup> In contrast, RCC and CellSouth customers have portable voice communications service, with much if not all of their usage occurring away from their residences, indeed even outside RCC and CellSouth’s designated ETC service area. While the difference between a billing address and where a wireless telephone is actually used may not be as significant a consideration in reviewing ETC grants in non-rural areas, it cannot be ignored in applying the “public interest” test envisioned under the Act for rural areas. Indeed, whether support should be provided based upon the billing address is one of the issues the Commission has asked the Joint Board to review.<sup>25</sup>

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<sup>22</sup> *Id.* at paragraph 11 (emphasis added) (citations omitted).

<sup>23</sup> Alabama Rural LECs RCC Comments at 17; Alabama Rural LECs CellSouth Comments at 15.

<sup>24</sup> The 1996 Act.

<sup>25</sup> *In the Matter of Federal-State Joint Board on Universal Service*, Order, FCC 02-307 (rel. Nov. 8, 2002) (“*Joint Board Referral*”) at para. 9.

Because the service area in which a rural Alabama customer resides may not correspond to where the customer uses RCC's or CellSouth's voice communications service, the Universal Service Fund will be negatively affected and its intended beneficiaries – rural customers in Alabama, harmed.<sup>26</sup> RCC and CellSouth will receive support for which it will not be accountable in contravention of Section 254 and this Commission's articulated goals. "In particular, we intend to develop a long-term plan that *better targets support to carriers serving high-cost areas*, while at the same time recognizing the significant differences among rural carriers, and between rural and non-rural carriers."<sup>27</sup> As stated by CenturyTel of Alabama, LLC "any policy that allows subsidies to flow to carriers that might not provide service in high-cost areas will send incorrect market signals to potential entrants. A wireless CETC may experience a windfall if it is allowed to receive high-cost support based on a rural LEC's higher average costs of the service area in which the customer's address is located, while service actually is used primarily in a relatively low-cost area."<sup>28</sup>

The Alabama Designation Orders can only be judged in light of the evidence and record upon which they were based. The record in both cases contains facts, data and evidence not

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<sup>26</sup> Alabama Rural LECs RCC Comments at 17; Alabama Rural LECs CellSouth Comments at 15.

<sup>27</sup> *Federal-State Joint Board on Universal Service; Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking, CC Docket 96-45 and Report and Order, CC Docket 00-256, 16 F.C.C.R. 11,244 (2001) ("*Fourteenth Report and Order*") at para. 8 (footnote omitted).

<sup>28</sup> Comments of CenturyTel of Alabama, LLC at 7.

present when the earlier cases were decided, yet the WCB ignores those facts – the very ones that establish that these areas are “incapable of sustaining more than one ETC.”<sup>29</sup>

### **III. The Alabama Designation Orders Must be Set Aside.**

Dobson Communications Corporation asserts that it “would be illegal and inappropriate for the Commission to prejudge the Joint Board proceeding by suspending its own processes”<sup>30</sup>, while offering no legal support for their contention. Suspension of the ETC designation process in these limited instances is not “illegal” and Commission Bureaus have taken similar action in the past. As one example, “in 1994, the Commission released a Further Notice of Proposed Rulemaking (Further Notice) that proposed a new licensing framework for Specialized Mobile Radio (SMR) systems in the 800 MHz band. After release of the Further Notice, there was a significant increase in the number of requests for General Category channels made by SMR applicants and licensees. On October 4, 1995, the Wireless Telecommunications Bureau temporarily suspended the filing of new applications for 800 MHz General Category channels, to ensure that resolution of the spectrum allocation issues raised in the Further Notice would not be compromised.”<sup>31</sup>

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<sup>29</sup> Western Wireless Corporation, *Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, 16 F.C.C.R. 48, at para. 22 (2000).

<sup>30</sup> Comments of Dobson Communications Corporation at 2.

<sup>31</sup> See *In the Matter of City of Denton, Texas Request For Waiver to Permit Relocation Of 800 MHz General Category Station WNGC433, Denton, Texas*, Order, FCC File No. A057457, (rel. November 30, 2000).

Similarly, in the present case the Commission has asked the Federal-State Joint Board on Universal Service to review many of its rules regarding the mechanisms of high-cost universal service support, including, specifically, the ETC designation process. However, rather than temporarily suspend the granting of ETC designations in rural areas, the WCB continues to issue orders in an arena that is clearly changing and under Commission ordered review. “[T]he Joint Board’s review should be completed prior to new designations in rural areas. This approach is consistent with the universal service principles of competitive neutrality (not favoring early ETC applicants over later) and the predictability of universal service support.”<sup>32</sup> In addition because the WCB “considers redefining the qualifying service areas ... as part of the ETC process”<sup>33</sup>, “this deliberation [eliminating the link between an ILEC’s service territory and study areas] *must* include all precedents, including any Recommended Decisions from the Joint Board and current deliberations of the Joint Board. Therefore, the Commission must suspend the ETC designations made in this proceeding ....”<sup>34</sup>

**IV. Unless the Alabama Designation Orders are Vacated, Consumers In Rural Alabama, as Well as Other Intended Beneficiaries of The Universal Service Fund, Will be Harmed.**

The Alabama Rural LECs agree with NTCA that:

“Knowing the ETC designation process is likely to be altered and that universal service funding may become more difficult to come by, there is danger that there is an incentive for carriers to obtain ETC designations

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<sup>32</sup> ATA Comments at 7 and 8 (citation omitted).

<sup>33</sup> TCA Comments at 3.

<sup>34</sup> *Id.* at 4.

and support quickly, before changes to the system are adopted. Carriers will come to depend on the windfall support, making it difficult to stop payment at a future date. Even if the support is stopped at a later date, immediate harm to the universal service fund and the consumers of this country could not be avoided.”<sup>35</sup>

Clearly, if RCC, CellSouth and similarly situated carriers are routinely granted ETC status without corresponding protections to the Universal Service Fund (“USF”), these carriers have a built-in incentive to design and implement a business strategy that may very well destroy universal service support.<sup>36</sup> Improperly distributed support may actually prevent much needed support from ever reaching true high-cost, rural areas and harm consumers located in those areas, areas beyond just Alabama.<sup>37</sup>

The WCB’s lack of a viable public interest standard for the grant of multiple ETC applications in rural areas will likely result in increase in the current \$3.2B fund of at least \$2B.<sup>38</sup>

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<sup>35</sup> NTCA Comments at 5.

<sup>36</sup> See Comments of the ATA at 3.

<sup>37</sup> *Id.* at 4 and 5.

<sup>38</sup> *See* RCC Application for Review at 16 (footnote numbered 55); CellSouth Application for Review at 16 (footnote numbered 54) (both footnotes stating that “publicly available data indicate that the impact of ETC status for all CMRS providers nationwide would increase the demand on the high-cost fund by over \$2B per year. (This number is derived by taking the ratio of wireless access lines to wireline access lines and multiplying this ratio (69%), and multiplying this by the current \$3.2 billion of federal high-cost report as stated on USAC HC01 for the first quarter of 2003. The 69% ratio was developed using data from Commission’s recently released Seventh Report to Congress regarding Competitive Market Conditions With Respect to Commercial Mobile Services, released Dec. 9, 2002, and USAC Report HC01 for the second quarter of 2002.)”).

This will create severe harm to all ETCs and to consumers. Surely such a result is not in the public interest:

“Even if the Alabama Rural LECs continue to receive support for providing an access line to the same customer [for whom RCC also receives support], the resulting demand on universal service funding could raise the cost of these support mechanisms to an unsustainable level, jeopardizing the very goal that the fund was designed to achieve. Some mechanism must be put in place that balances promoting entry in the *high cost, rural areas* and uneconomic motivation to competition.”<sup>39</sup>

The Alabama Designation Orders simply overlook potential sources of consumer harm, including the effect of subsidizing an additional ETC without safeguards to ensure that such carrier is not providing substandard service, reduced incentives for a carrier to actually serve a remotely located customer and safety risks occasioned by “dead spots.”<sup>40</sup> Simply put, “if finite universal service resources are frequently divided among multiple providers, there may no longer be sufficient support to maintain even one provider of reliable, high-quality infrastructure. Such a situation will ultimately lead to deteriorating service quality, substantially higher rates, or even the financial failure of the carrier that serves as the ‘lifeline’ for the most remotely located customers.”<sup>41</sup>

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<sup>39</sup> See Alabama Rural LECs RCC Comments at 18 and 19 and Alabama Rural LECs CellSouth Comments at 17, both citing *Federal-State Joint Board on Universal Service, Petitions for Reconsideration of Western Wireless Corporation’s Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, Order on Reconsideration, CC Docket 96-45, 16 F.C.C.R. 19,144 (2001). Statement of Commissioner Kevin J. Martin, Approving in Part, Concurring in Part and Issuing a Statement. (emphasis added).

<sup>40</sup> Comments of ATA at 12 and 13.

<sup>41</sup> Comments of OPASTCO at 5.

**V. The Commission Must Take Steps to Insure That ETC Designations Do Not Ignore Universal Service Issues.**

In its November 8 Order the Commission explicitly recognized that changes in the telecommunications marketplace necessitate a review of the ETC designation process.<sup>42</sup> The USF fund is exploding.<sup>43</sup> For the public interest analysis in the ETC designation process to have any credibility, rulings on certain rural ETC petitions must be delayed.

In spite of an interim plan to “fix” the collection mechanism,<sup>44</sup> the current 7.3% universal service Contribution Factor will need to increase significantly when the current borrowing from the Schools and Libraries fund runs out at the end of the first quarter of 2003 even if the fund does not grow significantly beyond the second phase of ICLS implementation in the third quarter.<sup>45</sup> RCC’s and Cell South’s assertion that competitive ETCs only received \$50M of the \$850M borrowed from the Schools and Libraries Fund is irrelevant.<sup>46</sup> The real issue is that the signals sent by the Alabama Designation Orders will potentially add over \$2B to the USF. The

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<sup>42</sup> *Joint Board Referral* at paras. 4 and 10.

<sup>43</sup> *See, e.g.*, Comments of OPATSCO at 5; NTCA Comments at 5.

<sup>44</sup> Report and Order and Second Further Notice of Proposed Rulemaking, In the Matter of Federal State Joint Board on Universal Service, CC Dockets 96-45, 98-171, 90-571, 92-237, 99-200, 95-116 and 98-120 and NSD File No. L-00-72 (rel. December 12, 2002).

<sup>45</sup> See OPATSCO Comments at 5, noting footnote numbered 13.

<sup>46</sup> RCC Opposition at 13; CellSouth Opposition at 13.

end result will be harm to companies and consumers. This “ballooning of the universal service fund beyond manageable levels” cannot be overlooked.<sup>47</sup>

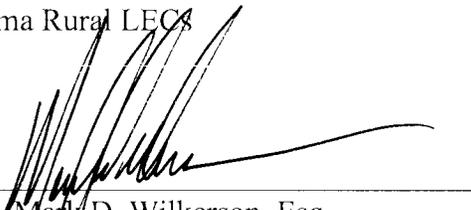
### CONCLUSION

RCC and Cellular South want USF dollars regardless of whom or what it harms. Both carriers want USF dollars regardless of whether those dollars are spent helping the consumers for whom the USF was originally created. Rather than protecting one technology over another, the grant of the Alabama Rural LECs’ Applications for Review would protect the interests of rural customers by ensuring that adequate USF funding is maintained, and that USF dollars are used to actually serve the customers that would not otherwise receive service. The Alabama Rural LECs respectfully request that their Applications for Review be granted.

Respectfully submitted,

Alabama Rural LECs

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February 24, 2003

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<sup>47</sup> Comments of ATA at 12 and 13.

## CERTIFICATE OF SERVICE

I, Leah S. Stephens, hereby certify that on this 24<sup>th</sup> day of February, 2003, a true and correct copy of the above and foregoing REPLY COMMENTS OF THE ALABAMA RURAL LOCAL EXCHANGE CARRIERS, unless otherwise designated, have been forwarded by U.S. Mail, first class, postage prepaid and properly addressed to:

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**\*via overnight delivery**

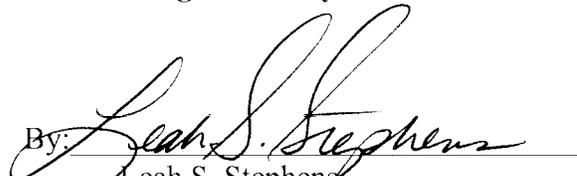
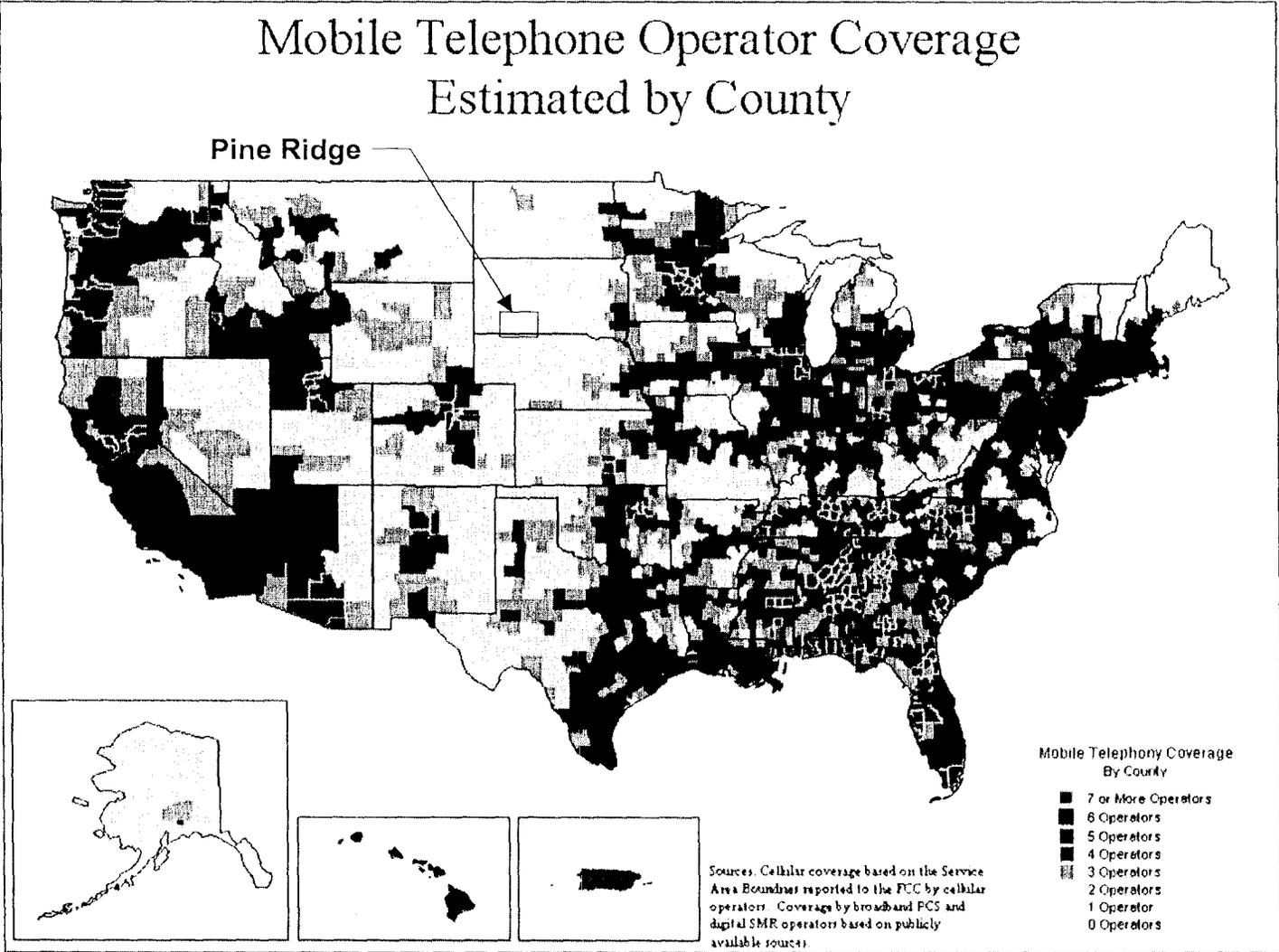
By:   
Leah S. Stephens  
One of the Attorneys for the  
Alabama Rural LECs

EXHIBIT A



Source: 7<sup>th</sup> Annual Report on CMRS Competition