Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	§	
	§	CC Docket No. 96-45
Federal-State Board on Universal Service	§	
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	§	

Comments of the Public Utility Commission of Texas

I. Executive Summary **2**

II. Comments of the Public Utility Commission of Texas **4**

A. Competition in High-Cost Areas 5

B. High-Cost Areas with Competitive ETCs 6

C. Alternative Methods for Calculating High-Cost Support 8
1. Competitive ETC's Costs 8
2. Lowest-Cost Provider 9
3. Cost of UNEs 9
4. ILEC's High-Cost Support Amount 10

D. High-Cost Support for Primary, Residential, and Business Lines 10

E. Disaggregation and Targeting of High-Cost Support 11

F. Alternative Methods of Determining Location of TUSF Eligible Lines Served by Wireless Providers 12

G. ETC Designation Process 12

III. Conclusion **14**

I. Executive Summary

In response to the Federal-State Joint Board's (Joint Board) *Public Notice*, the Texas PUC is providing comment on the Federal Communications Commission's (Commission) rules regarding the high-cost universal service support mechanisms. The Texas PUC's comments are provided in accordance with the Commission's request that high-cost universal service support mechanisms ensure the dual goals of preserving universal service and fostering competition.

As part of its 2003 Report on Scope of Competition in Telecommunications Market in Texas, the Texas PUC has conducted a quantitative evaluation of the status of the telecommunications industry in Texas. The Texas PUC has utilized the state-specific information that was obtained for its Report to provide an overview of the development of competition in high-cost rural areas, as well as wireless service in high-cost rural areas in the State. The Texas PUC found that not only have changes occurred in the local competitive market since its previous report issued in 2001, the data gathered demonstrates that there is some relation between the growth in the wireless market and the decline in the long-distance market.

The Texas PUC's policy goal of portable high-cost support as mandated by PURA allows an electing company's high-cost support to be transferred entirely or partially to a CLEC that has won an electing company's customer. The Texas PUC notes that the existence of multiple ETCs in a high-cost area does not impose a great cost on the TUSF. Furthermore, if a CLEC wins the ILEC's customer, the Texas PUC notes that an incumbent ETC would lose the entire amount or a portion of its high-cost support based upon the method in which the CLEC that has won the customer is provisioning service.

The Texas PUC provides comment on the Joint Board's alternative methods of calculating a competitive ETC's high-cost support, pointing out that high-cost support within the State is currently based on an ETP-CLEC's own cost when service is provided solely or partially through the use of UNEs purchased from the ILEC. In addition, the Texas PUC adopted the HAI model in a contested case proceeding, which calculates the cost that an ETP would incur in provisioning service via a hypothetical wireline network with the least-cost, most efficient technology that is currently available. The capped amount of high-cost support that is derived from subtracting the HAI costs from the statewide revenue benchmark is available to both an ETP-CLEC and an ILEC in a high-cost area within the State. The Texas PUC notes that lines eligible for TUSF support in a designated area are currently limited to all flat rate residential lines and the first five flat rate single-line business lines at the business customer's location in the State.

Through the implementation of the Commission's Rural Task Force Order in the *Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking,* the Texas PUC believes that the existing reporting requirements regarding the disaggregation and targeting of support do not warrant clarification at this time.

The Texas PUC believes that the standards for ETC designation that are outlined in sections 214(e)(2) and 214(e)(6) of the Federal Telecommunications Act (FTA) warrant clarification. The Texas PUC believes that it will be presented with myriad policy issues in determining a public interest finding as technology evolves and competition increases within high-cost, rural areas in the State. The Texas PUC believes that the Commission should establish permissive federal guidelines or provide guidance on the determination of a public interest finding under sections 214(e)(2) and 214(e)(6). In addition, the Texas PUC believes that establishing ETP requirements based on the Commission's ETC requirements will lessen the burden on telecommunications providers that are seeking ETC/ETP designation, thereby expediting the ETC/ETP designation process. The Texas PUC believes that an efficient ETC/ETP designation process could provide customers with access to competitive alternatives, access to enhanced services, lower prices, and higher quality of service.

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II. Comments of the Public Utility Commission of Texas

On February 7, 2003, the Federal-State Joint Board on Universal Service (Joint Board) issued a *Public Notice* initiating a review of the Federal Communications Commission's (Commission) rules regarding the high-cost universal service support mechanisms. The Commission requested that the Joint Board review certain rules relating to the high-cost universal service support mechanisms to ensure that the dual goals of preserving universal service and fostering competition continue to be fulfilled on November 8, 2002.[1] In initiating its review, the Joint Board requests state-specific information regarding the development of competition in high-cost rural areas, as well as wireless service in high-cost rural areas. (¶12, 14) The Joint Board requests comment on the Commission's rules relating to: (1) high-cost universal service support in study areas in which a competitive eligible telecommunications carrier (ETC) is providing service (¶11,16); (2) alternative methods for calculating high-cost support for competitive ETCs (¶18, 19, 21, 23); (3) high-cost universal support for primary residential and business lines (¶28-30); (4) disaggregation and targeting of high-cost universal service support in geographic areas below the study area level. (¶35); (5) alternative methods of determining the location of TUSF eligible lines served by wireless providers (¶25) and (6) the process for granting ETC designation (¶33-34).

[1] *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, FCC 02-307 (rel. Nov. 8, 2002) (Referral Order).

The Public Utility Commission of Texas (Texas PUC), having been given general regulatory authority over public utilities within our jurisdiction in Texas, hereby submit these comments in response the Joint Board's *Public Notice* to the issues mentioned above.

A. Competition in High-Cost Areas

The Joint Board requested state-specific information regarding the development of competition and line growth in high-cost areas within the State. As part of its 2003 Report on Scope of Competition in Telecommunications Market in Texas, the Texas PUC provided a quantitative evaluation of the status of the telecommunications industry in Texas.[2] To the extent that some of the analysis is germane to the Joint Board's discussion, the Texas PUC has included this information in our comments.

In particular, the Joint Board requested state-specific information regarding: (1) access to competitive alternatives for services provided by ILECs (¶12); (2) the extent to which customers utilize wireless and other technology services as complimentary services in addition to traditional wireline service (¶14); and (3) the extent to which customers of mobile wireless competitive ETCs substituted wireless for wireline services (¶14).

From the data collected in its 2003 Report on Scope of Competition in Telecommunications Markets in Texas report, the Texas PUC found that changes have occurred in the local competitive market since its previous report issued in 2001. In 2001, the Texas PUC reported to the Legislature that competitive providers were capturing more customers in the larger metropolitan and suburban areas, but competition in rural areas was limited. However, as of June 2002, the Texas PUC has found that CLECs serve 16% of the local customers in rural and urban areas and 13 percent in suburban areas in the State. In total, CLECs serve 15% of the access lines in Texas.[3]

In addition, the Texas PUC notes that there may be some relation between the growth in the wireless market and the decline in the long-distance market. The Texas PUC conducted this assessment by comparing the number of mobile subscribers in the State, which has nearly

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[2] Every two years, the Texas PUC reports to the Legislature on the scope of competition in telecommunications markets in Texas. This is required by the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 52.006 (Vernon 1998 & Supp. 2002) (PURA).

[3] For further information on the conclusions reached by the Texas PUC regarding the Scope of Competition in the Telecommunications Market in Texas, please see Attachment A (i.e., Chapter 3 of the 2003 Report to the 78th Texas Legislature).

doubled in the last two years, with the number of switched access minutes-of-use in the State, which declined by approximately 3% in 2001. Moreover, the Texas PUC points out that the number of basic dial-tone lines, which expanded in 2000 from 1999 levels, have declined in 2001.[4]

Table 1: Comparison of Wireline and Wireless in Texas

	1999	2000	2001
Mobile Wireless Subscribers	5,792,453	7,548,537	9,062,064
Long-distance (Switched Access) Minutes of Use	11,397,493,545	11,495,969,512	11,137,023,457
Total Basic Dial tone Lines	13,188,047	13,750,684	13,531,474

SOURCES: *Local Telephone Competition Reports,* FCC (Aug. 2000, May 2001, July 2002), Texas PUC 2003 Scope of Competition Data Responses.

B. High-Cost Areas with Competitive ETCs

The Joint Board requested comment on the policy goals of portable high-cost support (¶16). Specifically, the Joint Board asked for comment on the following issues (1) Does providing universal support for multiple ETCs in high-cost areas impose greater costs on the universal service fund (USF)? (¶16); (2) What is the effect of competitive entry in rural and non-rural study areas on the amount of an incumbent ETC's high-cost support? (¶17); (3) Whether the growth rate in high-cost support for competitive ETCs over the last eighteenth months is indicative of what one would expect to see in the future? (¶11); and (4) How does the growth in high-cost support for competitive ETCs compare to the growth in support for other ETCs? (i.e., ILECs) (¶11).

The Texas PUC promotes the policy goal of portable high-cost support. The Texas PUC's policy on portable high-cost support is outlined in Public Utility Regulatory Act (PURA) § 56.026(c)(1) and (2). Under these sections, an electing company's high-cost support can be transferred entirely or partially to a CLEC that has won an electing company's customer. Pursuant to PURA § 56.026(c)(1), if an electing company's customer switches to another local service provider that provisions basic local service entirely through the use of its own facilities, the electing company's disbursement would be reduced by the amount attributable to the customer. If an electing company's customer switches to another local service provider, and the new local service provider provisions basic local service solely or partially through the use of

[4] *2003 Report to the 78th Texas Legislature on Scope of Competition in Telecommunications Markets of Texas*

unbundled network elements (UNEs) provided by the electing company, the electing company's disbursement attributable to that customer would be reduced based upon an equitable allocation formula under PURA § 56.026(c)(2). The Texas PUC notes that Texas High Cost Universal Service Plan (THCUSP) support is portable with the customer.[5]

The Texas PUC notes that high-cost support for multiple eligible telecommunications providers (ETPs) in high-cost areas does not impose greater costs on the Texas Universal Service Fund (TUSF). The Texas PUC has determined the amount of high-cost support that is available for an ETP in each wire center within the State.[6] The amount of available high-cost support serves as a cap on the total high-cost support that an ETP can receive for provisioning service in a high-cost area within the State. As stated above, the amount of available high-cost support in high-cost rural areas is disbursed to an ILEC or CLEC that is providing service to a customer via its own facilities, or can be divided up among the ILEC and CLEC, if the CLEC is providing service to a customer solely or partially through UNEs purchased from the ILEC. Therefore, the amount of available high-cost support per wire center does not increase if multiple ETPs are provisioning service in high-cost areas within the State.

The Texas PUC points out that competitive entry in rural and non-rural study areas can affect the amount of an ILEC's high-cost support in a high-cost area within the State. As noted above, if a CLEC wins the ILEC's customer, the incumbent ETC would lose the entire amount or a portion of its high-cost support based upon the method in which the CLEC that has won the customer is provisioning service. The Texas PUC notes, however, that when a CLEC is provisioning service partially or solely via UNEs, the ILEC receives the amount of the UNE prices, which are theoretically designed to recover the ILEC's total long run incremental cost (TELRIC)—based costs.

The Texas PUC points out that the average growth rate over the last eighteen months indicates that high-cost support for ETP-CLEC's has increased over 100% on an approximate

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at 38 (Jan. 15, 2003)

[5] P.U.C. SUBST. R. 26.403(e)(1)(C).

[6] *Compliance Proceeding for Implementation of Texas High Cost Universal Service Plan*, Docket No. 18515 (Jan. 14, 2000) (High Cost Proceeding).

80% increase in access lines. However, high-cost support for ILECs has declined by less than 1% on an approximate 4% decrease in access lines.[7]

C. Alternative Methods for Calculating High-Cost Support

The Joint Board requested comment on alternative methods for calculating high-cost support for competitive ETCs. The Joint Board offered alternative methods for determining a competitive ETCs high-cost support that were based upon: (A) the competing ETC's own cost; (B) the lowest-cost provider's cost; (C) the cost associated with the purchase of UNEs; and (D) the total amount of high-cost support available to the ILEC in the same area.

1. Competitive ETC's Costs

The Joint Board invited comment on whether the Commission should calculate support for a competitive ETC based on its own costs. (¶18) The Texas PUC points out that high-cost support within the State is currently based on an ETP-CLEC's own cost when service is provided solely or partially through the use of UNEs purchased from the ILEC. The Texas PUC notes, however, that its rule regarding the allocation mechanism for high-cost support when service is provided solely or partially through UNEs is currently under review.[8]

The Texas PUC has determined that an ETP-CLEC provisioning service solely through UNEs would receive the difference between the UNE cost plus the retail additive and the statewide average revenue benchmark. The ETP-CLEC would only be eligible for high-cost support if UNE costs plus the retail additive exceed the statewide average benchmark.[9] Therefore, an ETP-CLEC's high-cost support is based upon its UNE costs and the additional costs of retailing basic local service to a customer.[10] If an ETP-CLEC provides service partially through UNEs, the current allocation formula divides the high-cost support between the ETP-

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[7] This data is a result of a comparison of the 3-month average at the beginning of the 18-month period with the average of the last three months of the 18-month period.

[8] *P.U.C. Review of Texas Universal Service Fund Pursuant to Substantive Rule 26.403(d)(2)(A)(i) and 26.403(e)(2)(A)(i)*, Docket No. 26647 (pending).

[9] P.U.C. SUBST. R. 26.403(e)(1)(B) requires the Commission to establish a statewide revenue benchmark for residential and single-line business service. The statewide revenue benchmark for both residential and single-line business service are calculated based on the statewide average revenue per line for all ETPs participating in the THCUSP. The statewide revenue benchmark for residential and single-line business is $38 and $52, respectively.

[10] The retail cost additive represents the additional cost of retailing basic local telecommunications service to the end-use customer. The retail cost additive is derived by multiplying the ILEC-specific wholesale discount percentage by the appropriate revenue benchmark.

CLEC and the ILEC based on the percentage of total per-line costs (i.e., UNEs) that are self-provisioned by the ETP-CLEC. The Texas PUC notes that the cost category percentages for each wire center would be derived by adding the retail cost additive and UNE costs (i.e., loop, line port, end-office usage, signaling, and transport).

The Texas PUC notes that high-cost support is based upon the ILEC's costs when an ETP is provisioning service using its own facilities. An ETP's high-cost support would be determined based up on the forward-looking economic cost that an ILEC would incur by provisioning service, which is derived from the Hatfield Associates, Inc. (HAI) model, minus the statewide average revenue benchmark.

2. Lowest-Cost Provider

The Joint Board requested comment on whether high-cost support for competitive ETCs should be based on the lowest-cost provider's cost, in order to promote efficiency. (¶19) The Texas PUC utilizes the HAI model to determine the forward-looking economic cost of provisioning basic local service in each wire center in the State. The costs derived from the HAI model are based on a hypothetical wireline network with the least-cost, most efficient technology that is currently available. Therefore, the Texas PUC believes that high-cost support available to an ETP-CLEC is based on the lowest-cost that an ETP would incur in provisioning service via a wireline network in high-cost areas within the State. The Texas PUC notes, however, that it does not utilize an equivalent cost model to determine the forward-looking economic cost of provisioning service in high-cost areas over a wireless network. The Texas PUC requires that an ETP to provide continuous and adequate service within its designated service area in compliance with quality of service standards.[11]

3. Cost of UNEs

The Joint Board asked for comment on whether the Commission should require a competitive ETC to qualify for high-cost support based on its cost associated with the purchase of UNEs. (¶21) The Texas PUC notes that it currently calculates high-cost support based upon a ETP-CLEC's UNE costs, if the ETP-CLEC is provisioning service solely or partially through UNEs purchased from the ILEC. The Texas PUC has found that an ETP-CLEC would receive the difference between its UNE cost plus the retail additive and statewide average revenue

[11] P.U.C. SUBST. R. 26.417(c)(1)(D).

benchmark, if the ETP-CLEC's UNE costs plus the retail additive exceeds the statewide average benchmark. The Texas PUC notes that allocating the high-cost support in this manner would allow both the ILEC and the ETP-CLEC to recover, on average, its cost of serving a customer at a rate consistent with the statewide revenue benchmark. The Texas PUC believes that such an allocation is competitively neutral in that the ILEC, as the provider of last resort (POLR), is indifferent between directly serving the customer and indirectly serving the customer through the sale of UNEs to an ETP-CLEC.

If an ETP-CLEC provides service partially through UNEs, the current allocation formula divides the high-cost support between the ETP-CLEC and the ILEC based on the percentage of total per-line UNE costs that are self-provisioned by the ETP-CLEC. The Texas PUC notes that the cost category percentages for each wire center would be derived by adding the retail cost additive and UNE costs (i.e., loop, line port, end-office usage, signaling, and transport).

4. ILEC's High-Cost Support Amount

The Joint Board invited comment on whether the maximum amount of support available to a competitive ETC should have some relation to the total amount of high-cost support available to the incumbent in the same area. The Joint Board asked whether the total amount of funding available to all ETCs in a geographic area should be capped in some manner. (¶23)

The Texas PUC notes that the same total amount of high-cost support is available for an ETP-CLEC and an ILEC in a high-cost area within the State. If the forward-looking costs derived from the HAI model exceed the statewide revenue benchmark, the difference is the monthly per-line support that is available to both the ETP-CLEC and ILEC in a high-cost area within the State. Therefore, the amount of available monthly per-line support serves as a cap on the total high-cost support that an ETP-CLEC and ILEC can receive within a high-cost area in the State.

D. High-Cost Support for Primary, Residential, and Business Lines

The Joint Board invited comment on whether the goals of section 254 would be better served if an ILEC or competitive ETC's high-cost support was limited to a single connection to the residential or single-line business end-user. (¶28-30) The Texas PUC notes that lines eligible

for TUSF support in a designated area are currently limited to all flat rate residential lines and the first five flat rate single-line business lines at the business customer's location in the State.[12]

E. Disaggregation and Targeting of High-Cost Support

The Joint Board sought comment on the existing reporting requirements regarding the disaggregation and targeting of support; and whether such requirements should be clarified. (¶35) In response to the FCC's Report and Order,[13] the Texas PUC adopted amendments to its rules to implement an annual certification process for utilizing federal universal service fund (FUSF) support, and procedures for disaggregation of rural telecommunications carriers' FUSF support below the study area.[14]

The Texas PUC believes that the existing reporting requirements regarding the disaggregation and targeting of support do not warrant clarification at this time. The Texas PUC notes that it declined to adopt Western Wireless Communications' (WWC) proposal that the study area of the rural telephone company should be disaggregated to allow CLECs to serve the same, targeted geographic service area in a manner that parallels the disaggregation of its FUSF support. The Texas PUC found that the Commission does not grant it the authority to disaggregate a carrier's study area as a service area. The Texas PUC found that the adopted language would prevent, if not eliminate, "cream skimming" of customers in lower-cost zones, by defining a carrier's service areas as its study areas, which would ensure that all customers throughout State have access to affordable basic local telecommunications services. In addition, the Texas PUC declined to adopt WWC's proposal that the same disaggregation rules from the FCC's Report and Order should apply to ETPs for TUSF support purposes.[15]

The Texas PUC found that 47 C.F.R. §54.207, which outlines the federal procedure requiring a state regulatory agency to petition the Commission in order to disaggregate a study area into multiple study areas, provides for disaggregation of any rural ILEC's FUSF support on a case-by-case analysis. The Texas PUC found that it does not have authority from the Commission to disaggregate rural telephone carriers all at once for purposes of FUSF support.

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[12] High Cost Proceeding, Finding of Fact 73 at 99; P.U.C. SUBST. R. 26.403(d).

[13] *Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking* in CC Docket No. 96-45, and *Report and Order* in CC Docket No. 00-256 (May 10, 2001).

[14] *Order Adopting Amendments to Substantive Rule §26.418 as approved at the March 6, 2002 Open Meeting,* Project No. 24521 (Mar. 20, 2002).

[15] P.U.C. SUBST. R. 26.417.

Moreover, consistent with its determination in WWC's ETC/ETP application proceeding,[16] the Texas PUC notes that it would have to file a petition with the Commission if it determines that it is appropriate to redefine an ILEC's service area.

The Texas PUC notes the forty-six rural ILECs have submitted compliance filings regarding their election for a FUSF disaggregation as of May 2002.[17] The Texas PUC points out that forty-two of these ILECs elected not to seek disaggregation of FUSF support, while four carriers elected to self-certify a targeted disaggregation plan for FUSF support.

F. Alternative Methods of Determining Location of TUSF Eligible Lines Served by Wireless Providers

The Joint Board requested comment on the methodology for determining the location of a line served by a mobile wireless provider, and whether modifications were warranted. (¶25) The Texas PUC currently requires that a wireless carrier provide a wireless access unit (WAU) to determine the location of a line. The Texas PUC notes that wireless carriers report access lines in accordance with the actual location of the WAU, which is utilized to provide the service.[18] Therefore, a wireless carrier that has a WAU in a high-cost area will be eligible for TUSF support.

G. ETC Designation Process

The Joint Board requested comment regarding the system for resolving requests for ETC designations under sections 214(e)(2) and 214 (e)(6) of the Federal Telecommunications Act (FTA).(¶33-34) Specifically, the Joint Board asked for comment on the following issues: (1) Is there a need to clarify the standards for ETC designation under sections 214(e)(2) and 214(e)(6)? (2) What factors should be considered in designating ETC status under section 214(e)(6)? (3) What factors should be considered in determining whether designation of more than one ETC is consistent with the public interest, convenience, and necessity? (4) Should the Commission provide guidance regarding the factors a state commission should consider in determining

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[16] *Application of WWC Texas RSA Limited Partnership as an Eligible Telecommunications Carrier Pursuant to 47 U.S.C. §214(e) and P.U.C. SUBST. R. 26.418*, Docket No. 22289; *Application of WWC Texas RSA Limited Partnership as an Eligible Telecommunications Provider Pursuant to 47 U.S.C. §214(e) and P.U.C. SUBST. R. 26.417*, Docket No. 22295 (Oct. 30, 2000) (WWC's ETC/ETP Application Proceeding).

[17] *Compliance Filings for Disaggregation Elective Pursuant to Subst. R. 26.418 and 47 C.F.R. 54.315,* Project No. 25698.

[18] WWC's ETC/ETP Application Proceeding, Final Order, Conclusion of Law 84 at 21.

whether an ETC designation is in the public interest? (5) Should the Commission establish permissive federal guidelines for states to utilize in designating ETCs under FTA 214(e)(2)? (6) Should the Commission encourage states to have similar guidelines standards for the designation of ETCs? (7) What effect, if any, does the current ETC designation process have on competition?

The Texas PUC believes that the standards for ETC designation that are outlined in sections 214(e)(2) and 214(e)(6) warrant clarification. The Texas PUC notes that both §214(e)(2) and §214(e)(6) require that a state commission find that the designation of an additional ETC in an area served by a rural telephone company is in the public interest. The Texas PUC points out that a telecommunications provider can be granted ETC/ETP designation in 45 to 60 days.[19] However, the Texas PUC notes that it has approved and is currently reviewing an ETC/ETP application in which a more strenuous examination of the public interest finding has resulted in a greater lag time for granting ETC/ETP designation. In one proceeding, WWC was granted ETC/ETP designation in seven months.[20] In a second proceeding, Grande Communications Networks, Inc. (Grande), filed its application for ETC/ETP designation on August 2, 2002.[21] However, the Texas PUC notes that Grande's application is currently pending due to issues that were raised regarding POLR obligations and the public interest. The Texas PUC believes that it will be presented with myriad policy issues in determining a public interest finding as technology evolves and competition increases within high-cost, rural areas in the State. Although some issues may be state-specific, the Texas PUC believes that the Commission should establish permissive federal guidelines or provide guidance on the determination of a public interest finding under sections 214(e)(2) and 214(e)(6) in order to expedite the processing of these cases.

The Texas PUC notes that its ETP's requirements are grafted from the Commission's rules ETC's requirements. The Texas PUC believes that establishing ETP requirements based on the Commission's ETC requirements will lessen the burden on telecommunications providers that are seeking ETC/ETP designation, thereby expediting the ETC/ETP designation process.

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[19] *See* Docket Nos. 25619, 25425, 25396, 25293, 24386, 24265, 23217, 23177.

[20] WWC's ETC/ETP Application Proceeding, Final Order (Oct. 30, 2000).

[21] *Application of Grande Communications Networks, Inc. for Eligible Telecommunications Carrier and Eligible Telecommunications Provider Designation* PUC Docket No. 26404, Aug. 2, 2002 (pending).

The Texas PUC believes that an efficient ETC/ETP designation process could provide customers with access to competitive alternatives, access to enhanced services, lower prices, and higher quality of service.

III. Conclusion

We appreciate the opportunity to offer comment in this proceeding. The Texas PUC believes that its state-specific information should provide the Commission with an overview of the development of competition in high-cost areas within the State. The Texas PUC encourages the Commission to recognize the existing mechanisms that currently promote the policy goal of high-cost support portability in the State. The Texas PUC believes that the Commission should take into consideration the mechanisms that are currently utilized to calculate high-cost support for ETPs within the State when considering alternate methods of calculating high-cost support for competitive ETCs at the federal level. The Texas PUC believes that the Commission should take into consideration the potential policy issues that may arise as technology evolves and competition increases in high-cost rural areas when developing guidelines for ETC designation under sections 214(e)(2) and 214 (e)(6) of the FTA.

Respectfully submitted,

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April 17, 2003

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