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December 16, 2003

Hon. Kathleen Q. Abernathy
Commissioner, Federal Communications Commission
Chair, Federal-State Joint Board on Universal Service
445 Twelfth St., S.W.
Washington, D.C. 20554

Hon. G. Nanette Thompson
Chair, Regulatory Commission of Alaska
State Chair, Federal-State Joint Board on Universal Service
701 West Eighth Ave., Suite 300
Anchorage, AK 99501

**Re: Federal-State Joint Board on Universal Service,
CC Docket No. 96-45**

Dear Commissioner Abernathy and Chair Thompson:

On behalf of Western Wireless Corp. ("Western Wireless"), I am writing to transmit four documents relevant to the eligible telecommunications carrier ("ETC") designation process and the public interest in designating wireless carriers as ETCs in rural areas. The first is a one-page overview of Western Wireless' position on these issues.

Second, I am enclosing an analysis of the economic benefits that wireless carriers' entry as competitive providers of universal service confers upon rural consumers in particular, and more generally on the economic development of rural areas. Focusing on Western Wireless' entry into the universal service market in rural Texas communities, this analysis shows how the benefits of wireless entry go beyond the public interest benefits of competition and include rural economic development.

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Third, I am enclosing an *ex parte* letter that Western Wireless, together with ALLTEL Communications Inc. and Sprint Corp., recently filed in support of the ETC applications of Virginia Cellular LLC and Highland Cellular Telephone, Inc., currently pending before the FCC. This letter discusses the ETC conditions under discussion in those proceedings, and shows that, while some of the voluntary commitments offered by the applicants may be commendable, they should *not* be converted into ETC conditions (or public interest criteria) of general applicability to all ETCs. The letter also demonstrates the anti-competitive and anti-consumer nature of the ETC designation criteria that certain incumbent local exchange carriers have proposed in those proceedings.

Finally, I am enclosing an economic analysis demonstrating that wireless/wireline competition in rural areas and universal service are fully consistent and mutually reinforcing policy goals. This analysis, authored by Dr. Steve Parsons, refutes an NTCA/OPASTCO-sponsored paper that purported to show a conflict between competition and universal service. Dr. Parsons' analysis also demonstrates that portability (*i.e.*, equal support per customer connection) is critical to sound public policy, and that "rate of return" regulation creates incentives for inefficiency and is inferior to other systems of regulation.

If you have any questions, please contact me.

Respectfully submitted,



David L. Sieradzki
Counsel for Western Wireless Corp.

Enclosures

cc: Hon. Kevin J. Martin
Hon. Jonathan S. Adelstein
Hon. Thomas Dunleavy
Hon. Lila A. Jaber
Hon. Bob Rowe
Hon. Billy Jack Gregg
Federal and State Joint Board Staff Members