

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

In re)	
)	
ALASKA DIGITEL, LLC)	
)	CC Docket No. 96-45
Petition for Waiver of)	
Sections 54.313, and 54.314)	
of the Commission's Rules)	

PETITION FOR WAIVER - EXPEDITED ACTION REQUESTED

Alaska DigiTel, LLC (“ADT”), by counsel and pursuant to Section 1.925(b) of the Commission’s Rules, 47 C.F.R. § 1.925(b), hereby requests a waiver of Sections 54.313 and 54.314 of the Commission’s rules, 47 C.F.R. §§ 54.313, 54.314.¹ ADT, a commercial mobile radio service (“CMRS”) provider that was recently designated as an eligible telecommunications carrier (“ETC”) in the State of Alaska, requests that the Commission waive these rules to enable ADT to receive high-cost universal service support as of August 28, 2003, the date it received ETC status. In support of this Petition, the following is respectfully shown:

I. BACKGROUND

On May 14, 2002, ADT filed a Petition with the Regulatory Commission of Alaska (“RCA”) requesting designation as an ETC in areas served by both rural and non-rural local exchange carriers (“LECs”). Following official notice and a public hearing, the RCA designated ADT an ETC throughout its requested service area.²

¹ No fee is required to be submitted with this request.

² *Alaska DigiTel, LLC Order Granting Eligible Telecommunications Carrier Status and Requiring Filings*, Docket U-02-39, Order No. 10 (August 28, 2003) (“Designation Order”). A copy of the Designation Order is attached hereto as Exhibit A.

As a competitive ETC, ADT is entitled to receive high-cost universal service support based on the per-line amounts received by the LECs serving the areas for which it was designated as an ETC. 47 C.F.R. §§ 54.807(a), 54.307(a). Before a competitive ETC can receive such support, the FCC's rules require, *inter alia*, that a high-cost certification by the state commission be filed in accordance with a set of deadlines provided in the rules. This certification must state that the company has committed to use its universal service support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." 47 C.F.R. § 54.313(a).

Because of the schedule set forth in the rules, high-cost certifications must be on file well in advance of the calendar quarter for which support is received. Based on the schedule in Section 54.313(d)(3), the high-cost certification must be filed by October 1 for the carrier to be eligible for high-cost support for all four quarters of the following year; by January 1 for the second, third, and fourth quarters of that year; by April 1 for the third and fourth quarters of that year; and by July 1 for the fourth quarter of that year. Thus, even if the state files a high-cost certification on the date of the carrier's designation, a competitive ETC must endure a gap of several months or more during which it provides the supported services but receives no support. In ADT's case, the RCA filed its initial high-cost certification on or before October 1, 2003 the first certification deadline following ADT's designation.³ Thus, notwithstanding the RCA's compliance with all applicable deadlines, ADT will begin receiving support as of January 1, 2004. Without a grant of this Petition, ADT will forgo high-cost support for its provision of universal service between August 28, 2003 and December 31, 2003.

³ Copies of the high-cost certification filed by the RCA and the referenced certification filed by ADT are attached hereto as Exhibit B.

II. ARGUMENT

Pursuant to Section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, the Commission may grant a waiver of the application of any of its rules for "good cause shown." In addition, Section 1.925(b)(3) provides for waiver where it is shown that:

- (i) The underlying purpose of the rule(s) would not be served or would be frustrated by application to the instant case, and that a grant of the requested waiver would be in the public interest; or
- (ii) In view of unique or unusual factual circumstances of the instant case, application of the rule(s) would be inequitable, unduly burdensome or contrary to the public interest, or the applicant has no reasonable alternative.

While rules are generally presumed valid,⁴ federal courts have emphasized that the Commission may waive a rule where the specific facts make strict compliance with the rule inconsistent with the public interest.⁵

Strict application of Sections 54.313(d)(3) and 54.314 to the instant case would be contrary to the public interest. The rules tying high-cost support payments to the filing of certifications several months beforehand would be impossible to comply with, and would effectively nullify the RCA's designation of ADT through the remainder of 2003. The RCA fully complied with the rules by filing a high-cost certification on or before the first certification deadline following ADT's designation. Yet, the timing of ADT's designation creates the unintended consequence of denying ADT high-cost support for over four months past its designation as an ETC. Moreover, ADT is offering universal service to subscribers in Alaska, and is actively working with the RCA to advance Lifeline and Link-up support in the state. Given

⁴ See *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972).

⁵ See *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

that ADT is taking on the responsibilities of an ETC, it would be grossly unfair to strictly apply a rule that would force the company and its subscribers to forgo several months of funding. No other party will be prejudiced by a grant of this waiver request and consumers in rural Alaska who are expecting rapid deployment of facilities would be harmed by its denial.

The denial of support that would result from strict application of Sections 54.313(d)(3) and 54.314 would be inconsistent with the Commission's goal of competitive neutrality, which the Commission has stressed as a "fundamental principle of the Commission's universal service policies."⁶ Additionally, the Commission has repeatedly recognized that designation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas.⁷ For newly designated ETCs, prompt commencement of high-cost support is crucial for constructing and upgrading networks to attain a level of service that provides consumers in high-cost areas with a viable alternative to wireline incumbent LEC service. Since the majority of newly designated ETCs are competitive carriers, strict enforcement of Sections 54.313(d)(3) and 54.314 would unfairly handicap new entrants, including carriers offering services using new technologies.

⁶ *Guam Cellular and Paging, Inc., Petition for Waiver of Section 54.314 of the Commission's Rules and Regulations*, CC Docket No. 96-45, DA 03-1169 at ¶ 7 (Tel. Acc. Pol. Div. rel. April 17, 2003) ("Guamcell Waiver Order").

⁷ *See, e.g., Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier for the Pine Ridge Reservation in South Dakota*, 16 FCC Rcd 18133, 18137 (2001) ("Designation of qualified ETCs promotes competition and benefits consumers by increasing customer choice, innovative services, and new technologies."); *Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, 16 FCC Rcd 48 (2000) ("[C]ompetition will result not only in the deployment of new facilities and technologies, but will also provide an incentive to the incumbent rural telephone companies to improve their existing network to remain competitive, resulting in improved service to Wyoming consumers. In addition, we find that the provision of competitive service will facilitate universal service to the benefit of consumers . . . by creating incentives to ensure that quality services are available at 'just, reasonable, and affordable rates.'") (footnote omitted).

Furthermore, the Commission has granted similar requests in the past.⁸ Specifically, similar to the instant situation, the Commission granted to RFB Cellular, Inc. (“RFB”) a limited waiver of, *inter alia*, the annual high-cost certification deadlines in Section 54.313(d) of the Commission’s rules in order to allow RFB to begin receipt of high-cost universal service support from the date on which it received its ETC designation.⁹ In deciding to grant RFB’s waiver request, the Commission agreed that denying high-cost support to the newly-designated ETC merely because of the timing of its ETC designation would undermine the FCC’s well-established goal of competitive neutrality for universal service.¹⁰ In addition, while acknowledging that the rule tying receipt of support to the prior filing of a certification is intended to provide the Universal Service Administrative Company (“USAC”) with sufficient time to process the certifications before payment, the FCC concluded that the “special circumstances” of an ETC being designated after a filing deadline “outweigh any processing difficulties that USAC may face as a result of the late-filed certification.”¹¹

The same special circumstances are present in the instant case. As with RFB, ADT seeks a limited waiver of the certification filing deadlines that occurred prior to the company’s designation as an ETC. As with that case, ADT “could not have met, under any circumstances,” the April 1, 2003, or July 1, 2003, high-cost certification filing deadlines because it had not yet

⁸ *In the Matter of Smith Bagley, Inc. Petition for Waiver of Section 54.809(c) of the Commission’s Rules and Regulations*, CC Docket 96-45, DA 01-1911 (Released August 15, 2001).

⁹ *RFB Cellular, Inc. Petitions for Waiver of Sections 54.314(d) and 54.307(c) of the Commission’s Rules and Regulations*, CC Docket No. 96-45, DA 02-3316 (WCB rel. Dec. 4, 2002) (“*RFB Waiver Order*”).

¹⁰ *Id.* at ¶ 9.

¹¹ *Id.* at ¶ 8.

been designated as an ETC.¹² In the *RFB Waiver Order*, the Commission concluded that a waiver of the pre-designation filing deadlines was warranted, appropriate, and consistent with the public interest, and that “[i]t would be onerous . . . to deny an ETC receipt of universal service support for an entire quarter, as a result of a particular ETC designation having occurred after the certification filing deadline.”¹³ In the instant case, denial would be even more onerous for ADT because it would forgo not just one quarter, but more than four months of high-cost support.¹⁴ As the Commission found with respect to RFB, ADT “should not be penalized as a result of the timing of its ETC designation.”¹⁵

III. REQUEST FOR EXPEDITED ACTION

Because ADT is a wireless carrier serving only sparsely populated areas in Alaska, both forms of support are critically important to ADT’s operations. Such support assists ADT in providing a quality universal service offering to underserved rural communities. It would be extreme and inequitable to penalize ADT — and to hinder a state’s efforts to promote the development and improvement of telecommunications infrastructure for its citizens — by strictly applying rules that are impossible for states and competitive carriers to comply with. ADT requests expedited action on this Petition in order to ensure that consumers experience the benefits that were intended to result from ADT’s designation sooner, rather than later. ADT has made substantial commitments to construct additional facilities in Alaska’s rural and high-cost areas. In the absence of expedited action, ADT may be forced to delay system construction and

¹² *Id.*

¹³ *Id.*

¹⁴ See *Guamcell Waiver Order, supra*, at ¶ 6. See also *Connecticut Department of Public Utility Control, Request for Waiver of State Certification Requirements for High-Cost Universal Service Support For Rural Carriers*, CC Docket No. 96-45, DA 02-3046 at ¶ 7 (Tel. Acc. Pol. Div. rel. Dec. 11, 2002).

upgrades planned for 2004 based on anticipated high-cost universal service support.

IV. CONCLUSION

For the reasons stated herein, ADT submits that granting a waiver of the filing deadlines set forth in Section 54.313(d)(3) of the Commission's rules to allow ADT to receive high-cost universal service support beginning as of August 28, 2003, is appropriate, consistent with the Commission's statutory goal of preserving and advancing universal service, and will serve the public interest. Expedited action is requested to minimize delays in construction and upgrading of infrastructure and provision of quality competitive service to consumers in Alaska's rural and high-cost areas. Without such support, ADT may be forced to slow the construction of planned system upgrades, which would ultimately punish consumers. ADT is entitled to high-cost support and such funding will enable ADT to invest in its network and improve and expand its wireless network in Alaska.

Respectfully submitted,

ALASKA DIGITEL, LLC

By: 
David A. LaFuria
B. Lynn F. Ratnavale
Its Attorneys

Lukas, Nace, Gutierrez and Sachs, Chartered
1111 19th Street
Suite 1200
Washington, D.C. 20036
(202) 857-3500

January 21, 2004

¹⁵ RFB Waiver Order at ¶ 9.

EXHIBIT A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Mark K. Johnson, Chair
Kate Giard
Dave Harbour
James S. Strandberg
G. Nanette Thompson

In the Matter of the Request by ALASKA
DIGITEL, LLC for Designation as a Carrier
Eligible to Receive Federal Universal Service
Support Under the Telecommunications Act of
1996)

U-02-39
ORDER NO. 10

**ORDER GRANTING ELIGIBLE TELECOMMUNICATIONS CARRIER
STATUS AND REQUIRING FILINGS**

BY THE COMMISSION:

Summary

We grant Alaska DigiTel, LLC (ADT)'s application for status as an eligible telecommunications carrier (ETC) for purposes of receiving federal and state universal service funding. We require ADT to file an affidavit certifying that it will advertise its services. We require ADT to file and maintain information concerning its Lifeline and Link Up services. We require ADT to annually file information with this commission describing its use of universal service funds (USF).

Background

In this docket, ADT requests designation as an eligible telecommunications carrier. The Telecommunications Act of 1996 (the Act)¹ requires us

¹Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) amending the Communications Act of 1934, 47 U.S.C. §§ 151 *et seq.*

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

1 to evaluate ETC requests from telecommunications carriers² by applying the standards
2 in federal law.³ ETCs must provide basic universal telecommunications service
3 throughout a defined service area. ETCs are eligible to receive a per customer subsidy
4 to provide, maintain, and upgrade facilities and services for basic telecommunications
5 service.⁴

6 ADT has requested the designation throughout the MTA service area.
7 ADT asserted it will provide universal services and will use the USF funds it receives to
8 invest in new cell towers within the Matanuska Telephone Association (MTA) service
9 area. The Rural Coalition (RC)⁵ and the certificated utility, MTA, have actively
10 participated in this docket. We granted intervention to the RC, MTA, ACS Rural LECs,⁶
11 and GCI.⁷

12 During the notice period, we received comments from four of ADT's
13 customers, who all supported ADT's request for ETC status.

14
15
16 ²47 U.S.C. § 153(44), 47 C.F.R. § 54.201.

17 ³47 U.S.C. § 214(e).

18 ⁴47 U.S.C. § 254(e).

19 ⁵For purposes of this proceeding, the Rural Coalition's member companies
20 include Arctic Slope Telephone Association Cooperative; Bristol Bay Telephone
21 Cooperative, Inc.; Bush-Tell, Inc.; Copper Valley Telephone Cooperative, Inc.; Cordova
22 Telephone Cooperative; Interior Telephone Company, Inc.; Ketchikan Public Utilities –
Telephone Division; Mukluk Telephone Company, Inc.; Nushagak Telephone
Cooperative, Inc.; OTZ Telephone Cooperative, Inc.; United-KUC, Inc.; and United
Utilities, Inc.

23 ⁶The ACS Rural Local Exchange Companies (ACS Rural LECs) are:
24 ACS of Fairbanks, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and
25 ACS; ACS of Alaska, Inc. d/b/a Alaska Communications Systems, ACS Local Service,
and ACS; and ACS of the Northland, Inc. d/b/a Alaska Communications Systems, ACS
Local Service, and ACS.

26 ⁷GCI Communication Corp. d/b/a General Communication, Inc. d/b/a GCI (GCI).

1 In Order U-02-39(5), dated February 10, 2003, we decided we would
2 determine capability and commitment on the basis of filings received to date from the
3 parties, and responses to additional questions posed in Order U-02-39(5). We also
4 determined we would have a hearing to address whether the ADT ETC designation is in
5 the public interest.⁸

6 Discussion

7 State commissions must decide whether or not applications for ETC status
8 should be granted.⁹ Federal law requires us to apply the following criteria to our
9 evaluation of ADT's request for ETC status:¹⁰

10
11
12
13
14 ⁸We reserved the right to end the investigation before the public interest hearing
if we found ADT incapable or not committed.

15 ⁹See n. 1.

16 ¹⁰These criteria are derived from Section 214(e)(1) and (2) of the Act which
provides:

17 (1) A common carrier designated as an eligible telecommunications carrier under
18 paragraph (2), (3), or (6) shall be eligible to receive universal service support in
19 accordance with section 254 of this title and shall, throughout the service area for which
the designation is received –

20 (A) offer the services that are supported by Federal universal service
21 support mechanisms under section 254(c) of this title, either using its own
22 facilities or a combination of its own facilities and resale of another carrier's
services (including the services offered by another eligible telecommunications
carrier); and

23 (B) advertise the availability of such services and the charges therefor
24 using media of general distribution.

25 (2)...Before designating an additional eligible telecommunications carrier for an
26 area served by a rural telephone company, the State commission shall find that the
designation is in the public interest.

- 1 • Has ADT demonstrated that it owns at least some facilities?
2 • Has ADT demonstrated it will appropriately advertise its services?
3 • Has ADT demonstrated a capability and commitment to provide the Nine
4 Basic Services required by Federal Communications Commission (FCC)
 regulation?¹¹
5 • Is granting ADT's application in the public interest?

6 State commissions may impose conditions on the granting of ETC
7 applications to assure that the public interest is met.¹²

8 Ownership of Facilities

9 We found in Order U-02-39(5) that ADT meets the facility ownership
10 criteria for ETC status. In that Order, we also concluded that it is reasonable for ADT to
11 use the MTA study area as its universal service area.

12 Advertising Services

13 Section 214(e)(1)(B) of the Act requires an ETC to advertise the
14 availability of the Nine Basic Services (including Link Up and Lifeline)¹³ and the charges
15 for the services using "media of general distribution."

16 When we granted MTA ETC status, we required MTA to meet the
17 following minimum criteria to ensure appropriate and sufficient customer notification of
18 its services:¹⁴

19 a) once every two years MTA must perform community outreach
20 through appropriate community agencies by notifying those agencies
21 of MTA's available services;

22 b) once every two years MTA must post a list of its services on a
23 school or community center bulletin board in each of the utility's
24 exchanges;

25 ¹¹The Nine Basic Services are defined at 47 C.F.R. § 54.101.

26 ¹²*Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999).

¹³Link Up is described at 47 C.F.R. § 54.411, and Lifeline at 47 C.F.R. § 54.405.

¹⁴In the following paragraphs addressing minimum advertising requirements,
"services" referred to those services for which MTA receives universal service support.
MTA was not required to advertise nonsupported services.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

c) once a year MTA must provide a bill stuffer indicating its available services; and

d) once a year MTA must advertise its services through a general distribution newspaper at the locations it serves.¹⁵

We believe these standards are also appropriate for ADT. ADT has agreed to comply with our interpretation of what advertising was required by Section 214.

Capability and Commitment

We established in Order U-02-39(5) that we would concentrate on ADT's provision of the nine basic services required by the FCC.¹⁶ Our ruling was based on the FCC's guidelines.¹⁷ The parties cited many cases, none of which persuaded us to modify our decision.

¹⁵Order U-97-187(1), dated December 19, 1997, at 16.

¹⁶Order U-02-39(5) at 6.

¹⁷We held in Order U-02-39(5) that we would follow the FCC guideline that ADT "must make a reasonable demonstration of its capability and commitment to provide the services required of an ETC throughout the service area for which it seeks ETC status. ADT does not need to provide detailed specifications of all aspects of its technical and financial abilities. ADT must, however, provide enough information to credibly demonstrate its ability." Order U-02-39(5) at 4. *In Re Federal-State Joint Bd. on Universal Service; Western Wireless Petition For Preemption of an Order of the South Dakota Public Utilities Commission*, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd. 15168, para. 24 (2000) (*South Dakota Order*).

1 ADT need not provide detailed specifications of all aspects of its technical
2 and financial abilities. However, ADT must provide enough information to demonstrate
3 its ability to provide each of following Nine Basic Services designated by the FCC¹⁸ or
4 obtain a waiver.¹⁹

- 5 1) Voice grade access to the public switched network (including Lifeline
6 and Link Up services),
- 7 2) Local usage,
- 8 3) Dual tone multi-frequency signaling or its functional equivalent,
- 9 4) Single-party service or its functional equivalent,
- 10 5) Access to emergency services,
- 11 6) Access to operator services,
- 12 7) Access to interexchange services,
- 13 8) Access to directory services, and
- 14 9) Toll limitation for qualifying low-income consumers.

15 ADT is a wireless personal communications service licensee that currently
16 provides service in the MTA service area, Juneau, Fairbanks, and Kenai through more
17 than 50 cell sites.²⁰ ADT operates 15 cell sites within the proposed ETC service area.
18 ADT has a staff of 60, which includes experienced engineers and technical support
19 personnel. ADT began providing service in Alaska in November 1998.

21 ¹⁸See n. 11.

22 ¹⁹The FCC allows a state commission to grant waiver of the requirement to
23 provide single-party, access to enhanced 911, and toll limitation services to allow
24 additional time for a carrier to complete network upgrades necessary to provide service.
47 C.F.R. § 54.101(c).

25 ²⁰*Alaska DigiTel, LLC's Response to Order Requiring Filing and Addressing*
26 *Eligible Telecommunications Carrier Criteria (ADT's Response)*, filed March 10, 2003,
at 2.

1 ADT's years of experience deploying wireless service reasonably
2 demonstrates its technical knowledge and basic abilities to provide wireless
3 telecommunications service. The parties do not dispute ADT's technical competence.
4 Instead, their arguments have centered on whether ADT has the financial ability and
5 intent to build out its facilities throughout the MTA service area.

6 The RC asserts ADT has not shown a study area-wide capability and
7 commitment and thus is prepared only to serve a small portion of the MTA study area
8 for the foreseeable future.²¹ The RC also asserts that ADT proposes a meager network
9 build-out in the next two years. The RC provides financial information showing that
10 even with universal service funding, ADT lacks resources to complete its proposed
11 expansion.²² The RC argued that ADT did not provide enough credible evidence to
12 demonstrate its capability and commitment. The RC also stated that ADT provided no
13 verifiable data for service quality.

14 MTA asserts that ADT has not shown that it would ever be able to serve
15 the entire MTA study area, and that this ability is a prerequisite to receipt of ETC status,
16 unless the FCC and RCA mutually agree to a different definition of the company's
17 service area.²³

18 ADT admits that its current facilities do not cover the entire MTA service
19 area, and that it could not build out to many areas where demand for service existed
20
21

22 ²¹*Rural Coalition's Reply to Alaska DigiTel, LLC's Capability and Commitment*
23 *Filing (RC's Reply)*, filed March 24, 2003, at 1-2.

24 ²²*Id.* at 2.

25 ²³*Matanuska Telephone Association's Reply to Alaska DigiTel, LLC's Response*
26 *to Order Requiring Filings and Addressing Eligible Telecommunications Carrier Criteria*
(MTA's Reply), filed March 24, 2003, at 8-9.

1 without access to federal USF. ADT commits to begin construction of six new cell sites
2 in the first 24 months after it obtains USF. During the first year after obtaining funding,
3 ADT plans to construct facilities in Big Lake, Willow, and Talkeetna, Alaska. In its
4 second year of funding, ADT plans to begin construction of facilities in Trapper Creek,
5 Petersville, and Cantwell, Alaska. ADT estimates a construction cost of \$250,000 per
6 cell site. ADT states that the total construction costs would likely exceed ADT's
7 projected support for the first two years.

8 ADT may not be able to serve the entire MTA service area with its own
9 facilities for several years. However, this does not preclude ETC status. ADT is not
10 required to provide service using only its own facilities. Federal law specifies that an
11 ETC may provide service through a combination of its own facilities and resale.²⁴
12 Therefore, ADT need not prove its ability to build facilities through every portion of
13 MTA's service area. ADT must demonstrate that its method of providing service
14 throughout the MTA area is reasonable.

15 ADT proposes to provide service throughout the MTA service area using
16 its own facilities or, if necessary, a combination of its own facilities and resale of another
17 carrier's services. ADT describes a 7-step plan for serving customers.²⁵

18 a) if ADT can serve within its existing network, ADT will immediately serve
19 the customer;

20 b) if the customer is not in an area where ADT currently provides service,

21 ADT will:

22 Step 1: determine whether the customer's equipment can be modified or
23 replaced to provide acceptable service;

24
25 ²⁴47 U.S.C. § 214(e)(1)(A).

26 ²⁵ADT's Response at 9-10.

1 Step 2: determine whether a roof-mounted antenna or other network
2 equipment can be deployed at the premises to provide service;

3 Step 3: determine whether adjustments at the nearest cell site can be
4 made to provide service;

5 Step 4: determine whether a cell-extender or repeater can be employed
6 to provide service;

7 Step 5: determine whether there are any other adjustments to network or
8 customer facilities that can be made to provide service;

9 Step 6: explore the possibility of offering the resold services of carriers
10 with facilities available to that location;

11 Step 7: determine whether an additional cell site can be constructed to
12 provide service, and evaluate the costs and benefits of using scarce high-cost support
13 to serve the number of customers requesting service.
14

15 ADT states that if there is no possibility of providing service short of
16 constructing a new cell site, it will report to the commission, providing the proposed cost
17 of construction and the company's position on whether the request for service is
18 reasonable and whether high-cost funds should be expended on the request.²⁶

19 We find ADT's plan is a reasonable means for ADT to provide service
20 throughout the MTA service area upon reasonable customer request. We will address
21 any ADT requests to deny service on a case-by-case basis.
22

23
24
25 ²⁶*Direct Testimony of Stephen M. Roberts on Behalf of Alaska DigiTel, LLC*
26 (*Roberts Direct Testimony*), filed March 17, 2003, at 14.

1 We do not find MTA's and the RC's arguments that ADT lacks the
2 financial capability to live up to its universal service commitments persuasive. ADT's
3 proposal demonstrates a reasonable commitment to serve and is adequate for our
4 purposes in this docket.

5 The RC and MTA challenge the financial viability of ADT's plans to
6 expand during the first two years.²⁷ We find that ADT's 7-step plan for providing service
7 documents a reasonable strategy for providing service throughout the study area. We
8 note that if ADT fails to serve throughout its designated service area, we would have
9 cause to revoke its ETC status.

10 ADT is not required to provide service where there are no prospective
11 customers. The FCC has determined an ETC must only provide service upon
12 "reasonable request" and should be treated similarly to the incumbent on this point:

13 Gaps in Coverage. We find the requirement that a carrier provide
14 service to every potential customer throughout the service area before
15 receiving ETC designation has the effect of prohibiting the provision of
16 service in high-cost areas. As an ETC, the incumbent LEC is required to
17 make service available to all consumers upon request, but the incumbent
18 LEC may not have facilities to every possible consumer. We believe the
19 ETC requirements should be no different for carriers that are not incumbent
20 LECs. ***A new entrant, once designated as an ETC, is required, as the
21 incumbent is required, to extend its network to serve new customers
22 upon reasonable request. We find, therefore, that new entrants must be
23 allowed the same reasonable opportunity to provide service to
24 requesting customers as the incumbent LEC, once designated as an
25 ETC.*** (Emphasis added.) Thus, we find that a telecommunications carrier's
26 inability to demonstrate that it can provide ubiquitous service at the time of its
request for designation as an ETC should not preclude its designation as an
ETC. (Footnotes omitted.)²⁸

22 We agree with the FCC's conclusion. We find reasonable ADT's 7-step plan and its
23 stated commitment to serve all reasonable requests.

25 ²⁷RC's Reply at 10; MTA's Reply at 2.

26 ²⁸South Dakota Order at para. 17.

1 *Emergency Services*

2 The parties alleged that ADT failed to direct emergency calls to the correct
3 emergency response center in Palmer and instead directed the calls to Anchorage.
4 ADT agreed that the calls should not have been directed to Anchorage, and worked to
5 resolve the matter. As of April 15, 2003, ADT was processing 911-calls to the Palmer
6 Public Service Access Point (PSAP).²⁹ Therefore, by the date of hearing, the
7 allegations about misdirected emergency calls were resolved.

8 The RC and MTA challenged ADT's ability to provide adequate
9 emergency services, claiming that ADT only asserted an ability to provide undefined
10 "M-911" service.³⁰ ADT asserted that it complies with all federal phase-in requirements
11 for emergency services that apply to wireless carriers; and no party provided
12 contradictory evidence. We conclude that ADT has adequately demonstrated its ability
13 to meet the emergency services requirement associated with ETC status.

14 *Lifeline and Link Up Services*

15 ADT committed to provide Lifeline and Link Up services. However, when
16 developing its proposed level of Lifeline and Link Up discounts and its proposed
17 customer eligibility criteria, ADT may not have taken into account that all of Alaska is
18 deemed tribal land and eligible for enhanced Lifeline and enhanced Link Up services
19 under the FCC rules. We require ADT to revise its proposed level of Lifeline and Link
20 Up services to recognize the higher level of support offered to tribal land areas, or
21 explain why this should not occur. Within 30 days of the date of this Order, ADT is
22 required to file the following information with us:

23 _____
24 ²⁹*Prefiled Reply Testimony of Clay Dover on Behalf of Alaska DigiTel, LLC*
(*Dover Reply Testimony*), filed May 5, 2003, at 7.

25 ³⁰*RC's Reply* at 13-14; *MTA's Reply* at 21-22. See *Roberts Direct Testimony* at 4.
26

1 a) the base local rate(s) and description of service for the service offerings
2 upon which the Lifeline and Link Up discounts will be applied;

3 b) the Lifeline and Link Up discounts that it will apply;

4 c) the means test that it will use to determine whether a customer is
5 qualified for Lifeline or Link Up services; and
6

7 d) how ADT will ensure that Lifeline customers will not be disconnected for
8 failure to pay their "local" bill.

9 ADT shall update the filed information within 30 days of any change. This
10 additional filing will clarify ADT's commitment to provide Lifeline and Link Up services.

11 Public Interest Determination

12 We focus our public interest determination on the potential benefits the
13 consumer could receive from the ETC designation of ADT. Elements we consider in
14 determining public interest include:

- 15 • New choice for customers
- 16 • Affordability
- 17 • Quality of service
- 18 • Service to unserved customers
- 19 • Comparison of benefits to public cost.

20 We also consider the record to determine if there is material harm to any ratepayer in
21 granting the ETC application.

22 *New Choice for Customers*

23 During the hearing to consider the issue of public interest, ADT provided
24 evidence that, with ETC designation and associated USF funds, customers will have
25
26

1 improved access to ADT's network and more choices in telecommunication services.³¹
2 ADT distinguishes its service offerings from other competing wireless carriers by noting
3 it will be providing services available to any customer on reasonable request, and it will
4 offer Lifeline and Link Up services, and E-911 services.

5 We conclude that granting the ETC application will improve customers'
6 ability to obtain ADT wireless services. Two consumers supported the ADT application
7 because of the increased coverage ADT would offer, improving access to emergency
8 and other critical services as well as quality of life.³² As ADT invests in its network,
9 competing companies' investment incentives may increase.

10 Granting the application will also provide customers more choices for
11 meeting their communications needs. Low-income customers who otherwise would be
12 unable to afford wireless service will be able to obtain service using the discounts
13 provided under the Lifeline and Link Up programs. ADT customers will also have a
14 choice in local calling areas, including an option for a wider local calling area than
15 offered by the incumbent MTA.

16 The public interest is also served by the mobility of ADT's service. Mobile
17 service adds public convenience and provides critical access to health and safety
18 services, not just at the customer's home as the incumbent's system provides, but when
19 the customers are away from their residences.

20
21
22
23
24
25
26

³¹ *Id.* at 2.

³² See letters from Sarah Palin and the Mat-Su Community Transit, received May 20, 2003.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Affordability

While ADT did not offer a rate plan for basic universal service, it did demonstrate a wide array of offerings. Combined with the ability to make calls into metropolitan Anchorage without long distance charges, these offerings could lower costs for consumers. We do not require proof of lower cost because the MTA offerings differ so extensively from ADT's that their costs cannot be meaningfully compared.

Quality of Service

We do not currently regulate the quality of service by ADT, nor do we have sufficient evidence to warrant defining quality of service standards to apply to wireless carriers. However, we will review service quality issues if we receive customer complaints about ADT's service. This decision does not preclude us from considering ETC service quality in a regulations docket upon petition or our election.

Service to Unserved Customers

ADT asserted the designation would allow it to accomplish build-out of six additional cell sites.³³ ADT expects to reach unserved customers in Trapper Creek, Petersville and Cantwell.³⁴

The RC claims the designation will not provide benefit, and that ADT wants the benefits of ETC status without the commensurate obligations to serve hard-to-reach customers.³⁵ MTA argues that ADT makes no firm commitment regarding its six cell sites and that ADT would not achieve economic viability regarding the site additions even with support. MTA believes that rather than constructing facilities in

³³ *Id.* at 9.

³⁴ *Id.* at 9, 12.

³⁵ *Prefiled Testimony of Jack H. Rhyner*, filed April 14, 2003, at 10.

1 areas like Trapper Creek, Petersville, and Cantwell, ADT will instead use its funding to
2 benefit the high-density, lower cost areas that ADT already serves.

3 We find nothing in the record to substantiate MTA's claim; rather, ADT has
4 clearly stated on the record it would seek out new customers. Two letters filed by
5 consumers suggests that customers in the MTA area may at times be without wireline
6 service and that these customers may desire ADT's services.³⁶ We conclude that by
7 granting this application, we will improve the ability of customers not now served by
8 wireline to obtain access to wireless service. As an ETC, ADT will be obligated to
9 provide service to currently unserved consumers upon reasonable request.

10 *Comparison of Benefits to Public Cost*

11 The RC and MTA argued that we should not grant ADT ETC status unless
12 we can prove that the benefits of the designation would exceed the public costs. We
13 find no support in the law for application of this standard to our review of ADT's ETC
14 application. Furthermore, we find that while improvement in public safety and
15 convenience and other public benefit factors cannot easily be quantified, they provide
16 substantial benefit to the public.³⁷ There was no credible evidence in the record of
17 countervailing public costs.

18 *Considerations of Material Harm*

19 We considered whether there would be any material harm in granting the
20 ETC application. The record is virtually silent concerning substantive harm specific to

21 _____
22 ³⁶See letters from Sharla Toller and Becky and Steve DeBusk, received
23 May 20, 2003.

24 ³⁷The FCC has indicated that concerns about the financial impact of designating
25 competitors as ETCs on the federal fund are not relevant to designating a particular
26 carrier as an ETC. *In Re Federal State Joint Bd. on Universal Service; RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area in the State of Alabama*, CC Docket No. 96-45, Memorandum Opinion and Order, 17 F.C.C.R. 23532, para. 3 (2002).

1 MTA or to customers in the MTA service area. MTA admits that its own federal funding
2 will likely not be affected by our decision to grant the application.³⁸ There is no
3 evidence that MTA will lose a significant number of customers as a result of increased
4 competition by wireless services. There is no evidence that consumer local rates will
5 increase or that quality or availability of service will decrease as a result of granting the
6 application. We did not find persuasive evidence in this proceeding suggesting generic
7 harm to either the federal universal service fund or to customers generally by granting
8 the application. We find no evidence to suggest that any material harm will occur.

9 In summary, we find that granting ETC status to ADT is in the public
10 interest. We previously concluded that ADT adequately demonstrated that it met all
11 other criteria necessary to allow award of ETC status. We therefore grant ETC status to
12 ADT.

13 Conditions on ETC Status

14 Various parties have recommended that we should place quality of service
15 requirements on ADT as a condition of ETC status. We will not develop quality of
16 service standards for wireless carriers in this proceeding. We lack a record
17 demonstrating that such standards are needed. We will consider wireless quality of
18 service standards in the future, provided a need for such standards is proved.

19 When GCI obtained ETC status for the ACS Rural LECs' study areas, we
20 prohibited GCI from applying for support for a study area until it had filed a certificate,
21

22
23 ³⁸MTA's Reply at 29. MTA qualified its answer by stating that its support would
24 not decrease, but only under the current rules, and that the FCC and the Federal-State
25 Joint Board on Universal Service were actively considering proposals to change the
26 federal universal service program. While that may be the case, we cannot assume that
federal policies will necessarily change to disadvantage MTA or that our decision to
grant ADT ETC status will as a result harm MTA in the long term.

1 supported by an affidavit, demonstrating availability of service and advertising thereof.³⁹

2 We will not place a similar requirement on ADT for the following reasons:

3 a) ADT has applied for service in only one study area, unlike the GCI
4 request for ETC status in multiple study areas;

5 b) GCI indicated it would phase-in service. In comparison, ADT has
6 provided a 7 Step plan for providing service throughout the study area;

7 c) When we granted GCI ETC status, companies had not implemented
8 plans to disaggregate support below the study area level.

9 The RC urges us to levy conditions on ADT to verify that ADT meets its
10 obligations and to ensure parity between new ETCs and the incumbent local exchange
11 carrier. We may require conditions within narrow bounds set by the Act and further
12 identified in the Texas Office of Public Utility decision.⁴⁰ The parties argued about the
13 extent of our authority.⁴¹ In a number of recent decisions on ETC designation, state
14 commissions that granted ETC status attached significant conditions on commercial
15 mobile radio service carriers.⁴²

16 ADT argues that the competitive market makes conditions of service
17 quality and affordability redundant. ADT urges us to annually review the way USF funds
18 are spent to monitor service quality.⁴³

19 Many of the proposed conditions are designed to protect incumbent
20 carriers from market participation concerns by a competitive ETC, such as cream
21

22 ³⁹See Order U-01-11(1), dated August 28, 2001.

23 ⁴⁰See n. 12.

24 ⁴¹Tr. 159, 211.

25 ⁴²Tr. 211, 215.

26 ⁴³*Rebuttal Testimony of Don Wood on Behalf of Alaska DigiTel, LLC*, filed
May 5, 2003, at 14; Tr. 371-72, 379.

1 skimming. The FCC has previously rejected rural incumbent carriers' suggestions to
2 adopt eligibility criteria beyond those set forth in Section 214(e) to prevent competitive
3 carriers from attracting only the most profitable customers, providing substandard
4 service, or subsidizing unsupported services with universal service funds. The FCC
5 concluded that the statutory requirements limiting ETCs, and requiring them to offer
6 services throughout the area and to use support only for the intended services, were
7 sufficient.⁴⁴ Similarly, we find little evidence that further protections are needed to
8 protect MTA's place in the market.

9 *Annual Certification*

10 Each year we open a proceeding and issue an order requiring information
11 from the economically regulated ETCs operating in Alaska so that we may make our
12 annual certification to the FCC concerning use of federal universal service funds under
13 47 C.F.R. § 54.314. As an ETC, MTA submits data in these annual proceedings.

14 Under federal regulations, an ETC not subject to our jurisdiction that
15 desires to receive federal universal service support must file an annual certificate with
16 the federal fund administrator and the FCC stating that all federal high-cost support
17 received will be used only for the provision, maintenance, and upgrading of facilities and
18 services for which the support is intended. We do not economically regulate ADT, and
19 therefore, under federal law, ADT would normally only file its certification with the FCC.
20 We are not required to certify to the FCC whether ADT will appropriately use federal
21 universal service funds. However, in order to monitor the continued appropriate use of
22 universal service funding in our competitive rural markets, we require ADT to file the

23
24 ⁴⁴*In Re Federal-State Joint Board on Universal Service; Western Wireless*
25 *Petition for Designation as an Eligible Telecommunications Carrier in the State of*
26 *Wyoming*, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 53,
paras. 12-13 (CCB 2000).

1 same information required of MTA through our annual use-of-funds certification
2 process. ADT has agreed to do so.

3 *Service Area*

4 Under Section 214(e)(1), a carrier's ETC status is linked to a specific
5 "service area." In its comments, MTA states that the topographical map of ADT's
6 proposed service area, as marked by ADT in Exhibit A to its May 14, 2002, filing, does
7 not correspond to the serving area referenced in the MTA tariffs filed with this
8 Commission. As a result, MTA believes ADT planned to serve something less than
9 MTA's service area. MTA states that if ADT had no intention of serving MTA's entire
10 study area, then it must lodge a request to redefine the service area boundary.⁴⁵

11 We clarify that under federal law, ADT's ETC service area must be the
12 same as the MTA study area.⁴⁶ Consistent with the federal requirements, ADT
13 indicates it would serve the MTA study area and our approval of ADT's ETC status is for
14 this study area. Should there be a dispute over the extent of MTA's study area, we will
15 resolve such disputes when they occur.

16 *State USF*

17 ADT indicated it had no plan to apply for state universal service support.
18 We will not require that ADT file for such support. However, our regulations provide that
19 ADT, if granted federal ETC status, automatically becomes eligible for state universal
20 service funds. See 3 AAC 53.399(3). We anticipate that ADT will obtain only minimal
21 support from our state fund, as it will likely only qualify for support for Lifeline services.

22
23 ⁴⁵MTA's Reply at 3, 8.

24 ⁴⁶See 47 U.S.C. § 214(e)(5). The service area cannot be changed from the
25 study area unless and until the FCC and the states, after taking into account
26 recommendations of a Federal-State Joint Board institute under section 410(c) of the
Act, a different definition of service area for such company.

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

5. To the extent possible, Alaska DigiTel, LLC shall file as if it were a regulated carrier in response to our requests for information in our annual proceeding concerning annual certification of use of funds to the Federal Communications Commission.

DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of August, 2003.

BY DIRECTION OF THE COMMISSION
(Commissioners Dave Harbour
and Kate Giard, not participating.)

(S E A L)

1 to evaluate ETC requests from telecommunications carriers² by applying the standards
2 in federal law.³ ETCs must provide basic universal telecommunications service
3 throughout a defined service area. ETCs are eligible to receive a per customer subsidy
4 to provide, maintain, and upgrade facilities and services for basic telecommunications
5 service.⁴

6 ADT has requested the designation throughout the MTA service area.
7 ADT asserted it will provide universal services and will use the USF funds it receives to
8 invest in new cell towers within the Matanuska Telephone Association (MTA) service
9 area. The Rural Coalition (RC)⁵ and the certificated utility, MTA, have actively
10 participated in this docket. We granted intervention to the RC, MTA, ACS Rural LECs,⁶
11 and GCI.⁷

12 During the notice period, we received comments from four of ADT's
13 customers, who all supported ADT's request for ETC status.

14
15

16 ²47 U.S.C. § 153(44), 47 C.F.R. § 54.201.

17 ³47 U.S.C. § 214(e).

18 ⁴47 U.S.C. § 254(e).

19 ⁵For purposes of this proceeding, the Rural Coalition's member companies
20 include Arctic Slope Telephone Association Cooperative; Bristol Bay Telephone
21 Cooperative, Inc.; Bush-Tell, Inc.; Copper Valley Telephone Cooperative, Inc.; Cordova
22 Telephone Cooperative; Interior Telephone Company, Inc.; Ketchikan Public Utilities –
Telephone Division; Mukluk Telephone Company, Inc.; Nushagak Telephone
Cooperative, Inc.; OTZ Telephone Cooperative, Inc.; United-KUC, Inc.; and United
Utilities, Inc.

23 ⁶The ACS Rural Local Exchange Companies (ACS Rural LECs) are:
24 ACS of Fairbanks, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and
25 ACS; ACS of Alaska, Inc. d/b/a Alaska Communications Systems, ACS Local Service,
and ACS; and ACS of the Northland, Inc. d/b/a Alaska Communications Systems, ACS
Local Service, and ACS.

26 ⁷GCI Communication Corp. d/b/a General Communication, Inc. d/b/a GCI (GCI).

1 In Order U-02-39(5), dated February 10, 2003, we decided we would
2 determine capability and commitment on the basis of filings received to date from the
3 parties, and responses to additional questions posed in Order U-02-39(5). We also
4 determined we would have a hearing to address whether the ADT ETC designation is in
5 the public interest.⁸

6 Discussion

7 State commissions must decide whether or not applications for ETC status
8 should be granted.⁹ Federal law requires us to apply the following criteria to our
9 evaluation of ADT's request for ETC status:¹⁰

10
11
12
13
14 ⁸We reserved the right to end the investigation before the public interest hearing
if we found ADT incapable or not committed.

15 ⁹See n. 1.

16 ¹⁰These criteria are derived from Section 214(e)(1) and (2) of the Act which
17 provides:

18 (1) A common carrier designated as an eligible telecommunications carrier under
19 paragraph (2), (3), or (6) shall be eligible to receive universal service support in
accordance with section 254 of this title and shall, throughout the service area for which
the designation is received –

20 (A) offer the services that are supported by Federal universal service
21 support mechanisms under section 254(c) of this title, either using its own
22 facilities or a combination of its own facilities and resale of another carrier's
services (including the services offered by another eligible telecommunications
carrier); and

23 (B) advertise the availability of such services and the charges therefor
24 using media of general distribution.

25 (2)...Before designating an additional eligible telecommunications carrier for an
26 area served by a rural telephone company, the State commission shall find that the
designation is in the public interest.

- 1 • Has ADT demonstrated that it owns at least some facilities?
2 • Has ADT demonstrated it will appropriately advertise its services?
3 • Has ADT demonstrated a capability and commitment to provide the Nine
4 Basic Services required by Federal Communications Commission (FCC)
5 regulation?¹¹
6 • Is granting ADT's application in the public interest?

7 State commissions may impose conditions on the granting of ETC
8 applications to assure that the public interest is met.¹²

9 Ownership of Facilities

10 We found in Order U-02-39(5) that ADT meets the facility ownership
11 criteria for ETC status. In that Order, we also concluded that it is reasonable for ADT to
12 use the MTA study area as its universal service area.

13 Advertising Services

14 Section 214(e)(1)(B) of the Act requires an ETC to advertise the
15 availability of the Nine Basic Services (including Link Up and Lifeline)¹³ and the charges
16 for the services using "media of general distribution."

17 When we granted MTA ETC status, we required MTA to meet the
18 following minimum criteria to ensure appropriate and sufficient customer notification of
19 its services:¹⁴

20 a) once every two years MTA must perform community outreach
21 through appropriate community agencies by notifying those agencies
22 of MTA's available services;

23 b) once every two years MTA must post a list of its services on a
24 school or community center bulletin board in each of the utility's
25 exchanges;

26 ¹¹The Nine Basic Services are defined at 47 C.F.R. § 54.101.

¹²*Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999).

¹³Link Up is described at 47 C.F.R. § 54.411, and Lifeline at 47 C.F.R. § 54.405.

¹⁴In the following paragraphs addressing minimum advertising requirements,
"services" referred to those services for which MTA receives universal service support.
MTA was not required to advertise nonsupported services.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

c) once a year MTA must provide a bill stuffer indicating its available services; and

d) once a year MTA must advertise its services through a general distribution newspaper at the locations it serves.¹⁵

We believe these standards are also appropriate for ADT. ADT has agreed to comply with our interpretation of what advertising was required by Section 214.

Capability and Commitment

We established in Order U-02-39(5) that we would concentrate on ADT's provision of the nine basic services required by the FCC.¹⁶ Our ruling was based on the FCC's guidelines.¹⁷ The parties cited many cases, none of which persuaded us to modify our decision.

¹⁵Order U-97-187(1), dated December 19, 1997, at 16.

¹⁶Order U-02-39(5) at 6.

¹⁷We held in Order U-02-39(5) that we would follow the FCC guideline that ADT "must make a reasonable demonstration of its capability and commitment to provide the services required of an ETC throughout the service area for which it seeks ETC status. ADT does not need to provide detailed specifications of all aspects of its technical and financial abilities. ADT must, however, provide enough information to credibly demonstrate its ability." Order U-02-39(5) at 4. *In Re Federal-State Joint Bd. on Universal Service; Western Wireless Petition For Preemption of an Order of the South Dakota Public Utilities Commission*, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd. 15168, para. 24 (2000) (*South Dakota Order*).

1 ADT need not provide detailed specifications of all aspects of its technical
2 and financial abilities. However, ADT must provide enough information to demonstrate
3 its ability to provide each of following Nine Basic Services designated by the FCC¹⁸ or
4 obtain a waiver:¹⁹

- 5 1) Voice grade access to the public switched network (including Lifeline
6 and Link Up services),
- 7 2) Local usage,
- 8 3) Dual tone multi-frequency signaling or its functional equivalent,
- 9 4) Single-party service or its functional equivalent,
- 10 5) Access to emergency services,
- 11 6) Access to operator services,
- 12 7) Access to interexchange services,
- 13 8) Access to directory services, and
- 14 9) Toll limitation for qualifying low-income consumers.

15 ADT is a wireless personal communications service licensee that currently
16 provides service in the MTA service area, Juneau, Fairbanks, and Kenai through more
17 than 50 cell sites.²⁰ ADT operates 15 cell sites within the proposed ETC service area.
18 ADT has a staff of 60, which includes experienced engineers and technical support
19 personnel. ADT began providing service in Alaska in November 1998.

21 ¹⁸See n. 11.

22 ¹⁹The FCC allows a state commission to grant waiver of the requirement to
23 provide single-party, access to enhanced 911, and toll limitation services to allow
24 additional time for a carrier to complete network upgrades necessary to provide service.
47 C.F.R. § 54.101(c).

25 ²⁰*Alaska DigiTel, LLC's Response to Order Requiring Filing and Addressing*
26 *Eligible Telecommunications Carrier Criteria (ADT's Response)*, filed March 10, 2003,
at 2.

1 ADT's years of experience deploying wireless service reasonably
2 demonstrates its technical knowledge and basic abilities to provide wireless
3 telecommunications service. The parties do not dispute ADT's technical competence.
4 Instead, their arguments have centered on whether ADT has the financial ability and
5 intent to build out its facilities throughout the MTA service area.

6 The RC asserts ADT has not shown a study area-wide capability and
7 commitment and thus is prepared only to serve a small portion of the MTA study area
8 for the foreseeable future.²¹ The RC also asserts that ADT proposes a meager network
9 build-out in the next two years. The RC provides financial information showing that
10 even with universal service funding, ADT lacks resources to complete its proposed
11 expansion.²² The RC argued that ADT did not provide enough credible evidence to
12 demonstrate its capability and commitment. The RC also stated that ADT provided no
13 verifiable data for service quality.

14 MTA asserts that ADT has not shown that it would ever be able to serve
15 the entire MTA study area, and that this ability is a prerequisite to receipt of ETC status,
16 unless the FCC and RCA mutually agree to a different definition of the company's
17 service area.²³

18 ADT admits that its current facilities do not cover the entire MTA service
19 area, and that it could not build out to many areas where demand for service existed
20
21

22 ²¹*Rural Coalition's Reply to Alaska DigiTel, LLC's Capability and Commitment*
23 *Filing (RC's Reply)*, filed March 24, 2003, at 1-2.

24 ²²*Id.* at 2.

25 ²³*Matanuska Telephone Association's Reply to Alaska DigiTel, LLC's Response*
26 *to Order Requiring Filings and Addressing Eligible Telecommunications Carrier Criteria*
(MTA's Reply), filed March 24, 2003, at 8-9.

1 without access to federal USF. ADT commits to begin construction of six new cell sites
2 in the first 24 months after it obtains USF. During the first year after obtaining funding,
3 ADT plans to construct facilities in Big Lake, Willow, and Talkeetna, Alaska. In its
4 second year of funding, ADT plans to begin construction of facilities in Trapper Creek,
5 Petersville, and Cantwell, Alaska. ADT estimates a construction cost of \$250,000 per
6 cell site. ADT states that the total construction costs would likely exceed ADT's
7 projected support for the first two years.

8 ADT may not be able to serve the entire MTA service area with its own
9 facilities for several years. However, this does not preclude ETC status. ADT is not
10 required to provide service using only its own facilities. Federal law specifies that an
11 ETC may provide service through a combination of its own facilities and resale.²⁴
12 Therefore, ADT need not prove its ability to build facilities through every portion of
13 MTA's service area. ADT must demonstrate that its method of providing service
14 throughout the MTA area is reasonable.

15 ADT proposes to provide service throughout the MTA service area using
16 its own facilities or, if necessary, a combination of its own facilities and resale of another
17 carrier's services. ADT describes a 7-step plan for serving customers:²⁵

18 a) if ADT can serve within its existing network, ADT will immediately serve
19 the customer;

20 b) if the customer is not in an area where ADT currently provides service,

21 ADT will:

22 Step 1: determine whether the customer's equipment can be modified or
23 replaced to provide acceptable service;

24
25 ²⁴47 U.S.C. § 214(e)(1)(A).

26 ²⁵ADT's Response at 9-10.

1 Step 2: determine whether a roof-mounted antenna or other network
2 equipment can be deployed at the premises to provide service;

3 Step 3: determine whether adjustments at the nearest cell site can be
4 made to provide service;

5 Step 4: determine whether a cell-extender or repeater can be employed
6 to provide service;

7 Step 5: determine whether there are any other adjustments to network or
8 customer facilities that can be made to provide service;

9 Step 6: explore the possibility of offering the resold services of carriers
10 with facilities available to that location;

11 Step 7: determine whether an additional cell site can be constructed to
12 provide service, and evaluate the costs and benefits of using scarce high-cost support
13 to serve the number of customers requesting service.
14

15
16 ADT states that if there is no possibility of providing service short of
17 constructing a new cell site, it will report to the commission, providing the proposed cost
18 of construction and the company's position on whether the request for service is
19 reasonable and whether high-cost funds should be expended on the request.²⁶

20 We find ADT's plan is a reasonable means for ADT to provide service
21 throughout the MTA service area upon reasonable customer request. We will address
22 any ADT requests to deny service on a case-by-case basis.
23

24
25 ²⁶*Direct Testimony of Stephen M. Roberts on Behalf of Alaska DigiTel, LLC*
26 (*Roberts Direct Testimony*), filed March 17, 2003, at 14.

1 We do not find MTA's and the RC's arguments that ADT lacks the
2 financial capability to live up to its universal service commitments persuasive. ADT's
3 proposal demonstrates a reasonable commitment to serve and is adequate for our
4 purposes in this docket.

5 The RC and MTA challenge the financial viability of ADT's plans to
6 expand during the first two years.²⁷ We find that ADT's 7-step plan for providing service
7 documents a reasonable strategy for providing service throughout the study area. We
8 note that if ADT fails to serve throughout its designated service area, we would have
9 cause to revoke its ETC status.

10 ADT is not required to provide service where there are no prospective
11 customers. The FCC has determined an ETC must only provide service upon
12 "reasonable request" and should be treated similarly to the incumbent on this point:

13 Gaps in Coverage. We find the requirement that a carrier provide
14 service to every potential customer throughout the service area before
15 receiving ETC designation has the effect of prohibiting the provision of
16 service in high-cost areas. As an ETC, the incumbent LEC is required to
17 make service available to all consumers upon request, but the incumbent
18 LEC may not have facilities to every possible consumer. We believe the
19 ETC requirements should be no different for carriers that are not incumbent
20 LECs. ***A new entrant, once designated as an ETC, is required, as the
21 incumbent is required, to extend its network to serve new customers
upon reasonable request. We find, therefore, that new entrants must be
allowed the same reasonable opportunity to provide service to
requesting customers as the incumbent LEC, once designated as an
ETC.*** (Emphasis added.) Thus, we find that a telecommunications carrier's
inability to demonstrate that it can provide ubiquitous service at the time of its
request for designation as an ETC should not preclude its designation as an
ETC. (Footnotes omitted.)²⁸

22 We agree with the FCC's conclusion. We find reasonable ADT's 7-step plan and its
23 stated commitment to serve all reasonable requests.

24
25 ²⁷RC's Reply at 10; MTA's Reply at 2.

26 ²⁸South Dakota Order at para. 17.

1 *Emergency Services*

2 The parties alleged that ADT failed to direct emergency calls to the correct
3 emergency response center in Palmer and instead directed the calls to Anchorage.
4 ADT agreed that the calls should not have been directed to Anchorage, and worked to
5 resolve the matter. As of April 15, 2003, ADT was processing 911-calls to the Palmer
6 Public Service Access Point (PSAP).²⁹ Therefore, by the date of hearing, the
7 allegations about misdirected emergency calls were resolved.

8 The RC and MTA challenged ADT's ability to provide adequate
9 emergency services, claiming that ADT only asserted an ability to provide undefined
10 "M-911" service.³⁰ ADT asserted that it complies with all federal phase-in requirements
11 for emergency services that apply to wireless carriers; and no party provided
12 contradictory evidence. We conclude that ADT has adequately demonstrated its ability
13 to meet the emergency services requirement associated with ETC status.

14 *Lifeline and Link Up Services*

15 ADT committed to provide Lifeline and Link Up services. However, when
16 developing its proposed level of Lifeline and Link Up discounts and its proposed
17 customer eligibility criteria, ADT may not have taken into account that all of Alaska is
18 deemed tribal land and eligible for enhanced Lifeline and enhanced Link Up services
19 under the FCC rules. We require ADT to revise its proposed level of Lifeline and Link
20 Up services to recognize the higher level of support offered to tribal land areas, or
21 explain why this should not occur. Within 30 days of the date of this Order, ADT is
22 required to file the following information with us:

23 _____
24 ²⁹*Prefiled Reply Testimony of Clay Dover on Behalf of Alaska DigiTel, LLC*
(*Dover Reply Testimony*), filed May 5, 2003, at 7.

25 ³⁰*RC's Reply at 13-14; MTA's Reply at 21-22. See Roberts Direct Testimony at 4.*

26

- 1 a) the base local rate(s) and description of service for the service offerings
2 upon which the Lifeline and Link Up discounts will be applied;
3 b) the Lifeline and Link Up discounts that it will apply;
4 c) the means test that it will use to determine whether a customer is
5 qualified for Lifeline or Link Up services; and
6
7 d) how ADT will ensure that Lifeline customers will not be disconnected for
8 failure to pay their "local" bill.

9 ADT shall update the filed information within 30 days of any change. This
10 additional filing will clarify ADT's commitment to provide Lifeline and Link Up services.

11 Public Interest Determination

12 We focus our public interest determination on the potential benefits the
13 consumer could receive from the ETC designation of ADT. Elements we consider in
14 determining public interest include:

- 15 • New choice for customers
16 • Affordability
17 • Quality of service
18 • Service to unserved customers
19 • Comparison of benefits to public cost.

20 We also consider the record to determine if there is material harm to any ratepayer in
21 granting the ETC application.

22 *New Choice for Customers*

23 During the hearing to consider the issue of public interest, ADT provided
24 evidence that, with ETC designation and associated USF funds, customers will have
25
26

1 improved access to ADT's network and more choices in telecommunication services.³¹
2 ADT distinguishes its service offerings from other competing wireless carriers by noting
3 it will be providing services available to any customer on reasonable request, and it will
4 offer Lifeline and Link Up services, and E-911 services.

5 We conclude that granting the ETC application will improve customers'
6 ability to obtain ADT wireless services. Two consumers supported the ADT application
7 because of the increased coverage ADT would offer, improving access to emergency
8 and other critical services as well as quality of life.³² As ADT invests in its network,
9 competing companies' investment incentives may increase.

10 Granting the application will also provide customers more choices for
11 meeting their communications needs. Low-income customers who otherwise would be
12 unable to afford wireless service will be able to obtain service using the discounts
13 provided under the Lifeline and Link Up programs. ADT customers will also have a
14 choice in local calling areas, including an option for a wider local calling area than
15 offered by the incumbent MTA.

16 The public interest is also served by the mobility of ADT's service. Mobile
17 service adds public convenience and provides critical access to health and safety
18 services, not just at the customer's home as the incumbent's system provides, but when
19 the customers are away from their residences.

20
21
22
23
24
25
26

³¹*Id.* at 2.

³²See letters from Sarah Palin and the Mat-Su Community Transit, received May 20, 2003.

1 *Affordability*

2 While ADT did not offer a rate plan for basic universal service, it did
3 demonstrate a wide array of offerings. Combined with the ability to make calls into
4 metropolitan Anchorage without long distance charges, these offerings could lower
5 costs for consumers. We do not require proof of lower cost because the MTA offerings
6 differ so extensively from ADT's that their costs cannot be meaningfully compared.

7 *Quality of Service*

8 We do not currently regulate the quality of service by ADT, nor do we have
9 sufficient evidence to warrant defining quality of service standards to apply to wireless
10 carriers. However, we will review service quality issues if we receive customer
11 complaints about ADT's service. This decision does not preclude us from considering
12 ETC service quality in a regulations docket upon petition or our election.

13 *Service to Unserved Customers*

14 ADT asserted the designation would allow it to accomplish build-out of six
15 additional cell sites.³³ ADT expects to reach unserved customers in Trapper Creek,
16 Petersville and Cantwell.³⁴

17 The RC claims the designation will not provide benefit, and that ADT
18 wants the benefits of ETC status without the commensurate obligations to serve
19 hard-to-reach customers.³⁵ MTA argues that ADT makes no firm commitment regarding
20 its six cell sites and that ADT would not achieve economic viability regarding the site
21 additions even with support. MTA believes that rather than constructing facilities in
22
23

24 ³³*Id.* at 9.

25 ³⁴*Id.* at 9, 12.

26 ³⁵*Prefiled Testimony of Jack H. Rhyner*, filed April 14, 2003, at 10.

1 areas like Trapper Creek, Petersville, and Cantwell, ADT will instead use its funding to
2 benefit the high-density, lower cost areas that ADT already serves.

3 We find nothing in the record to substantiate MTA's claim; rather, ADT has
4 clearly stated on the record it would seek out new customers. Two letters filed by
5 consumers suggests that customers in the MTA area may at times be without wireline
6 service and that these customers may desire ADT's services.³⁶ We conclude that by
7 granting this application, we will improve the ability of customers not now served by
8 wireline to obtain access to wireless service. As an ETC, ADT will be obligated to
9 provide service to currently unserved consumers upon reasonable request.

10 *Comparison of Benefits to Public Cost*

11 The RC and MTA argued that we should not grant ADT ETC status unless
12 we can prove that the benefits of the designation would exceed the public costs. We
13 find no support in the law for application of this standard to our review of ADT's ETC
14 application. Furthermore, we find that while improvement in public safety and
15 convenience and other public benefit factors cannot easily be quantified, they provide
16 substantial benefit to the public.³⁷ There was no credible evidence in the record of
17 countervailing public costs.

18 *Considerations of Material Harm*

19 We considered whether there would be any material harm in granting the
20 ETC application. The record is virtually silent concerning substantive harm specific to
21

22 ³⁶See letters from Sharla Toller and Becky and Steve DeBusk, received
23 May 20, 2003.

24 ³⁷The FCC has indicated that concerns about the financial impact of designating
25 competitors as ETCs on the federal fund are not relevant to designating a particular
26 carrier as an ETC. *In Re Federal State Joint Bd. on Universal Service; RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area in the State of Alabama*, CC Docket No. 96-45, Memorandum Opinion and Order, 17 F.C.C.R. 23532, para. 3 (2002).

1 MTA or to customers in the MTA service area. MTA admits that its own federal funding
2 will likely not be affected by our decision to grant the application.³⁸ There is no
3 evidence that MTA will lose a significant number of customers as a result of increased
4 competition by wireless services. There is no evidence that consumer local rates will
5 increase or that quality or availability of service will decrease as a result of granting the
6 application. We did not find persuasive evidence in this proceeding suggesting generic
7 harm to either the federal universal service fund or to customers generally by granting
8 the application. We find no evidence to suggest that any material harm will occur.

9 In summary, we find that granting ETC status to ADT is in the public
10 interest. We previously concluded that ADT adequately demonstrated that it met all
11 other criteria necessary to allow award of ETC status. We therefore grant ETC status to
12 ADT.

13 Conditions on ETC Status

14 Various parties have recommended that we should place quality of service
15 requirements on ADT as a condition of ETC status. We will not develop quality of
16 service standards for wireless carriers in this proceeding. We lack a record
17 demonstrating that such standards are needed. We will consider wireless quality of
18 service standards in the future, provided a need for such standards is proved.

19 When GCI obtained ETC status for the ACS Rural LECs' study areas, we
20 prohibited GCI from applying for support for a study area until it had filed a certificate,
21

22
23 ³⁸MTA's Reply at 29. MTA qualified its answer by stating that its support would
24 not decrease, but only under the current rules, and that the FCC and the Federal-State
25 Joint Board on Universal Service were actively considering proposals to change the
26 federal universal service program. While that may be the case, we cannot assume that
federal policies will necessarily change to disadvantage MTA or that our decision to
grant ADT ETC status will as a result harm MTA in the long term.

1 supported by an affidavit, demonstrating availability of service and advertising thereof.³⁹

2 We will not place a similar requirement on ADT for the following reasons:

3 a) ADT has applied for service in only one study area, unlike the GCI
4 request for ETC status in multiple study areas;

5 b) GCI indicated it would phase-in service. In comparison, ADT has
6 provided a 7 Step plan for providing service throughout the study area;

7 c) When we granted GCI ETC status, companies had not implemented
8 plans to disaggregate support below the study area level.

9 The RC urges us to levy conditions on ADT to verify that ADT meets its
10 obligations and to ensure parity between new ETCs and the incumbent local exchange
11 carrier. We may require conditions within narrow bounds set by the Act and further
12 identified in the Texas Office of Public Utility decision.⁴⁰ The parties argued about the
13 extent of our authority.⁴¹ In a number of recent decisions on ETC designation, state
14 commissions that granted ETC status attached significant conditions on commercial
15 mobile radio service carriers.⁴²

16 ADT argues that the competitive market makes conditions of service
17 quality and affordability redundant. ADT urges us to annually review the way USF funds
18 are spent to monitor service quality.⁴³

19 Many of the proposed conditions are designed to protect incumbent
20 carriers from market participation concerns by a competitive ETC, such as cream

21
22 ³⁹See Order U-01-11(1), dated August 28, 2001.

23 ⁴⁰See n. 12.

24 ⁴¹Tr. 159, 211.

25 ⁴²Tr. 211, 215.

26 ⁴³*Rebuttal Testimony of Don Wood on Behalf of Alaska DigiTel, LLC*, filed
May 5, 2003, at 14; Tr. 371-72, 379.

1 skimming. The FCC has previously rejected rural incumbent carriers' suggestions to
2 adopt eligibility criteria beyond those set forth in Section 214(e) to prevent competitive
3 carriers from attracting only the most profitable customers, providing substandard
4 service, or subsidizing unsupported services with universal service funds. The FCC
5 concluded that the statutory requirements limiting ETCs, and requiring them to offer
6 services throughout the area and to use support only for the intended services, were
7 sufficient.⁴⁴ Similarly, we find little evidence that further protections are needed to
8 protect MTA's place in the market.

9 *Annual Certification*

10 Each year we open a proceeding and issue an order requiring information
11 from the economically regulated ETCs operating in Alaska so that we may make our
12 annual certification to the FCC concerning use of federal universal service funds under
13 47 C.F.R. § 54.314. As an ETC, MTA submits data in these annual proceedings.

14 Under federal regulations, an ETC not subject to our jurisdiction that
15 desires to receive federal universal service support must file an annual certificate with
16 the federal fund administrator and the FCC stating that all federal high-cost support
17 received will be used only for the provision, maintenance, and upgrading of facilities and
18 services for which the support is intended. We do not economically regulate ADT, and
19 therefore, under federal law, ADT would normally only file its certification with the FCC.
20 We are not required to certify to the FCC whether ADT will appropriately use federal
21 universal service funds. However, in order to monitor the continued appropriate use of
22 universal service funding in our competitive rural markets, we require ADT to file the

23
24 ⁴⁴*In Re Federal-State Joint Board on Universal Service; Western Wireless*
25 *Petition for Designation as an Eligible Telecommunications Carrier in the State of*
26 *Wyoming*, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 53,
paras. 12-13 (CCB 2000).

1 same information required of MTA through our annual use-of-funds certification
2 process. ADT has agreed to do so.

3 *Service Area*

4 Under Section 214(e)(1), a carrier's ETC status is linked to a specific
5 "service area." In its comments, MTA states that the topographical map of ADT's
6 proposed service area, as marked by ADT in Exhibit A to its May 14, 2002, filing, does
7 not correspond to the serving area referenced in the MTA tariffs filed with this
8 Commission. As a result, MTA believes ADT planned to serve something less than
9 MTA's service area. MTA states that if ADT had no intention of serving MTA's entire
10 study area, then it must lodge a request to redefine the service area boundary.⁴⁵

11 We clarify that under federal law, ADT's ETC service area must be the
12 same as the MTA study area.⁴⁶ Consistent with the federal requirements, ADT
13 indicates it would serve the MTA study area and our approval of ADT's ETC status is for
14 this study area. Should there be a dispute over the extent of MTA's study area, we will
15 resolve such disputes when they occur.

16 *State USF*

17 ADT indicated it had no plan to apply for state universal service support.
18 We will not require that ADT file for such support. However, our regulations provide that
19 ADT, if granted federal ETC status, automatically becomes eligible for state universal
20 service funds. See 3 AAC 53.399(3). We anticipate that ADT will obtain only minimal
21 support from our state fund, as it will likely only qualify for support for Lifeline services.

22
23 ⁴⁵MTA's Reply at 3, 8.

24 ⁴⁶See 47 U.S.C. § 214(e)(5). The service area cannot be changed from the
25 study area unless and until the FCC and the states, after taking into account
26 recommendations of a Federal-State Joint Board institute under section 410(c) of the
Act, a different definition of service area for such company.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

5. To the extent possible, Alaska DigiTel, LLC shall file as if it were a regulated carrier in response to our requests for information in our annual proceeding concerning annual certification of use of funds to the Federal Communications Commission.

DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of August, 2003.

BY DIRECTION OF THE COMMISSION
(Commissioners Dave Harbour
and Kate Giard, not participating.)

(S E A L)

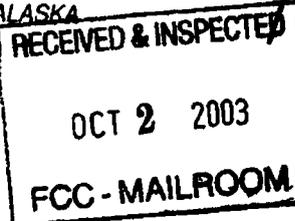
Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

EXHIBIT B

DOCKET FILE COPY ORIGINAL

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA



FRANK H. MURKOWSKI, GOVERNOR

701 WEST EIGHTH AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE (907) 276-6222
FAX (907) 276-0160
TTY (907) 276-4533
WEBSITE www.state.ak.us/rca/

September 26, 2003

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Irene Flannery
Universal Service Administrative Company
2120 L Street, NW - Suite 600
Washington, DC 20037

Re: CC Docket No. 96-45
State Certification of USF Funds in Rural Areas

Dear Mses. Dortch and Flannery:

This letter is submitted pursuant to 47 C.F.R. 54.314(a), which requires annual state certification of use of federal universal service funds as a prerequisite for continued receipt of funding by rural carriers. The Regulatory Commission of Alaska governs local services and rates in Alaska and is the appropriate authority to issue certification under Section 54.314(a).

We declare that, to the best of our knowledge and belief, all federal high cost support received in 2004 by economically regulated rural eligible telecommunications carriers in Alaska (see attached list) will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.

We economically regulate Arctic Slope Telephone Association Cooperative, Inc. (ASTAC) but only for its Barrow exchange. All other ASTAC exchanges, Circle Telephone, Cordova Telephone, Ketchikan Public Utilities, and Nushagak Electric & Telephone Coop., Inc. are not economically regulated by our agency. Our certification does not cover non-regulated wire line service areas and each carrier is responsible for self-certifying its compliance with 47 C.F.R. 54.314(b) for such areas.

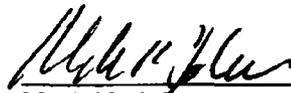
List A



We have included Alaska DigiTel, LLC, (Ak DigiTel) a non-regulated wireless carrier, on our list of carriers. We have done so as we have directed the company to file annual certification with us concerning its use of funds and we plan to regularly review its responses in this area. We have been told by Ak DigiTel that it will also be filing with the FCC its individual statement concerning use of funds by a non-regulated entity.

We have pending a number of local carrier revenue requirement and cost of service study proceedings. Additional studies are scheduled for filing in subsequent years. Our certification does not preclude us from reviewing in further detail how any carrier has employed its federal universal service funds and ordering that use of funds comply with directives or policies we may set. Our certification is based on best data available as of September, 2003. Our decision does not bind us in future or pending cases and we reserve the right to conclude that a company should employ its universal service funding differently than it does today or in the future in light of better data or a more detailed review.

Sincerely,
REGULATORY COMMISSION OF ALASKA



Mark K. Johnson
Commissioner
Chair

RECEIVED & INSPECTED

OCT 2 2003

FCC - MAILROOM

Rural Eligible Telecommunications Carriers in Alaska:

NECA Code ¹	Carrier
613012, 613022	ACS of Alaska, Inc.
613008	ACS of Fairbanks, Inc.
613010, 613020	ACS of the Northland, Inc.
N/A	Alaska DigiTel, LLC ²
613017, 613009	Alaska Telephone Company.
613001, 613009	Arctic Slope Telephone Assoc. Coop. Inc. ³
613002	Bettles Telephone, Inc.
613003	Bristol Bay Telephone Coop. Inc.
613004	Bush-Tell, Inc.
613006	Copper Valley Telephone Coop., Inc.
N/A	GCI Communications Corp. ⁴
613011, 613009	Interior Telephone Co.
613015	Matanuska Telephone Assoc., Inc.
613016, 613009	Mukluk Telephone Co.
613026	North Country Telephone, Inc.
613019	OTZ Telephone Coop., Inc.
613028	Summit Telephone Co.
613023	United Utilities, Inc.
613023, 613009	United-KUC, Inc.
613025	Yukon Telephone Co.

¹ With the exception of Alaska DigiTel (see footnote 2) each local carrier has ETC status in all rural study areas that it serves. The study area codes are provided as a convenience. While the listed codes are intended to encompass all served areas unless otherwise noted, not all codes were available at the time this certification was provided. For example, code 613009 refers to previous exchanges owned by GTE Alaska, Inc. / ATEAC that were divided up and transferred to several different entities. These exchanges may have since been merged with each carrier's other study area(s).

² Alaska DigiTel, LLC holds ETC status in the following rural incumbent study area: MTA (613015)

³ The Regulatory Commission of Alaska only economically regulates ASTAC for its Barrow exchange. ASTAC, for its non-regulated exchanges, is responsible to separately file a letter with the FCC indicating its intent to use federal high cost funds only for their intended purposes.

⁴ GCI hold ETC status in the following rural incumbent study areas: Fairbanks (613008), Juneau (613012), and Greatland (613022). However, this certification only covers the Fairbanks and Juneau areas. GCI indicated it provides service to the Greatland study area via wholesale.

Alaska DigiTel

Personal Communications for Life

5350 Poplar Avenue, Suite 875 • Memphis, TN 38118-0608
Telephone - 901.763.3333 • Fax - 901.763.3369

September 17, 2003

VIA HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, DC 20554

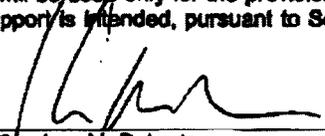
VIA FACSIMILE AND FEDERAL EXPRESS

Ms. Irene Flannery
USAC
2120 L Street, N.W.
Suite 800
Washington, D.C. 20037

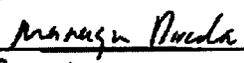
Re: Alaska DigiTel, LLC
Certification for High Cost Loop Support
CC Docket No. 96-45

Dear Ms. Dortch and Ms. Flannery:

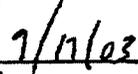
This certification is submitted on behalf of Alaska DigiTel, LLC. ("ADT", "Company") in accordance with FCC Rule Section 54.314. On behalf of ADT, I hereby certify under penalty of perjury that all high-cost loop support provided to the Company will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to Section 254(e) of the Communications Act of 1934, as amended.



Stephen M. Roberts



Title



Date

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 17th day of September, 2003.



NOTARY PUBLIC

MY COMMISSION EXPIRES JULY 28, 2004
My Commission Expires: _____