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

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
	)	
	)	
Supplemented Petitions for Eligible Telecommunications Carrier Designations	)	
	)	
	)	
To: Wireline Competition Bureau	)	

COMMENTS OF VERIZON

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COMMENTS OF VERIZON[1]

Introduction and Summary

In the instant Public Notice, the Commission invites parties to comment on supplemented petitions by various wireless carriers seeking to be designated as eligible telecommunications carriers ("ETCs") pursuant to 47 U.S.C. § 214(e)(6). *See* Public Notice, DA 04-999 (rel. Apr. 12, 2004). As the petitions pending before the Commission show, granting additional ETC designations and redefining additional service areas before the Commission has revised the existing portability rules would dramatically increase the size of the universal service fund. The petitions at issue just in the recent Commission orders and the pending public notices could amount to approximately $367 million per year in additional high cost funding in rural areas, and $112 million in non-rural funding, which will continue to dilute CALLS support to other carriers. The Commission should refrain from acting on any pending ETC petitions until the outcome of the pending portability rulemaking proceeding has been resolved. In addition, it

[1] The Verizon telephone companies ("Verizon") are the local exchange carriers affiliated with Verizon Communications Inc., and are listed in Attachment A.

should deny the petition of any carrier that has not addressed the public interest standard for non-rural areas or the creamskimming concerns for rural areas that were raised in the *Highland Cellular Order*.[2]

Argument

I. The Cost To The Universal Service Fund Would Be Dramatic If The Pending ETC Petitions, And Others Like Them, Are Granted.

Many carriers petitioning for ETC status assert that grant of their individual ETC petitions "will not significantly affect the size of the Universal Service Fund's High Cost program." Nextel Partners, *Supplement to Petition for ETC Designation in the State of Pennsylvania*, CC Docket No. 96-45, at 9 (filed Mar. 24, 2004).[3] However, none discusses the cumulative effect that would occur to the fund if the FCC and various state commissions were to grant all pending and future ETC petitions.[4] In fact, if competitive ETCs were to get funding for additional lines throughout the study areas where they are seeking to be designated, just the petitions at issue in the pending ETC public notices and the recently granted Virginia Cellular and Highland Cellular ETC designation orders could increase the size of the rural universal service high cost fund by more than $350

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[2] *Highland Cellular, Inc., Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, FCC 04-37, ¶¶ 26-27 (rel. Apr. 12, 2004).

[3] *See, e.g.*, AT&T Wireless Services, Inc., *Supplement to Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama*, CC Docket No. 96-45, at 5 (filed May 14, 2004); Smith Bagley, Inc., *Supplement to Petition for Designation as an Eligible Telecommunications Carrier for the Navajo Reservation in Utah*, CC Docket No. 96-45, at 5 (filed May 14, 2004).

[4] Nor do the *Virginia Cellular Order* or the *Highland Cellular Order* themselves consider the aggregate impact on the fund. *See Federal-State Joint Board on Universal Service; Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, 19 FCC Rcd 1563, ¶ 31 n.96 (2004) ("*Virginia Cellular Order*"); *Highland Cellular Order*, ¶ 25 n.73.

million per year. *See* High-Cost Fund Amounts Involved In Pending Petitions For ETC Designation And Redefinition Of Service Areas Covered By DA 04-998 And DA 04-999 (included as Attachment B); High-Cost Fund Amounts Involved In Virginia Cellular And Highland Cellular Orders (included as Attachment C).[5] In addition, they would capture up to $112 million in non-rural, CALLS-based high cost support. *See* Attachment B. As CALLS support is capped at $650 million per year, this would further dilute the amounts available to the fund's intended use (replacing interstate access support), and threatens to unravel the access charge reform established by the CALLS Order.[6]

In its Supplement, Sprint wrongly contends that Verizon's estimates are "misleading" and that the disbursement of the interstate access support portion of the

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[5] These estimates include study areas relevant to petitions in the instant proceeding as well as study areas relevant to petitions for ETC status that had already been supplemented and concerning which comments were due on May 7. *See* Public Notice, DA 04-998 (rel. April 12, 2004). The estimate for non-rural areas contained in these comments differs slightly from that contained in Verizon's May 7 filing because certain parties, in supplements filed May 14, modified their petitions to eliminate certain study areas. The Commission estimated that, if Virginia Cellular were to capture "each and every customer located in the" rural study areas for which it was seeking ETC status, the grant of the Virginia Cellular petition could result in an increase of up to approximately $900,000 per quarter, or nearly $3.6 million per year. *See Virginia Cellular Order*, ¶ 31 n.96. Using a similar analysis for the Highland Cellular petition resulted in an estimated potential increase of up to $360,000 per quarter, or over $1.4 million per year. *See Highland Cellular Order*, ¶ 25 n.73. Verizon has used the same assumptions as the Commission in calculating the amount of support potentially at issue in Attachments B and C. Although some of the petitioners have calculated that their individual petitions would only provide support to a portion of the lines in these study areas, it is not unreasonable to assume that, if the current trends continue without any change to the rules regarding portability of support, the high-cost fund could end up subsidizing one wireline and one wireless line per customer, which is what the estimates roughly approximate.

[6] *See Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Low-Volume Long Distance Users, Federal-State Joint Board on Universal Service*, 15 FCC Rcd 12962 (2000) ("CALLS Order"), *aff'd in part, rev'd and remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC*, 265 F.3d 313 (5th Cir. 2001).

high cost fund to ETCs is consistent with the overall purposes of that fund. *Sprint Supplement*, at 16. As Verizon has pointed out previously, when the Commission decided to make CALLS support portable, the number of ETC applications in non-rural areas was relatively low.[7] The number of such applications has recently grown significantly, however, as the two recent public notices evidence, threatening to significantly dilute the amount of CALLS-based high-cost support that is available to compensate local exchange carriers for interstate portions of the loop costs.[8]

The primary goal of CALLS-based interstate access support, however, was to compensate local exchange carriers for the interstate portions of loop costs. Wireless carriers and CLECs do not have access charges regulated by the ILEC price cap regime that was under review in CALLS, and, accordingly, have no reason to collect this type of support. Similarly, wireless carriers do not have loops, and thus do not have the loop costs that this fund was designed to support. Nevertheless, under the Commission's portability rules, these carriers are provided the same level of per-line support as local exchange carriers receive. *See CALLS Order*, ¶ 209; *see also* 47 C.F.R. §§ 53.307, 54.309.

In addition, under the Commission's current rules, competitive ETCs report loop counts to USAC, and receive universal service support for, all customers they serve in all areas where they have received ETC status, regardless of whether those customers are still receiving service from the ILEC. Thus, a single customer may receive duplicative

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[7] *See* Letter from Clint Odom, Verizon, to Marlene H. Dortch, CC Docket No. 96-45, FCC 03J-1, at 3 (filed Aug. 1, 2003).

[8] *See id.* at 3-4; Verizon, *Opposition to Sprint Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida*, at 3-8 (filed June 30, 2003).

high-cost support from more than one carrier. As more than one Commissioner has recognized, there are serious questions concerning the wisdom of using ratepayer dollars to subsidize "multiple competitors to serve areas in which the costs are prohibitively expensive for even one carrier."[9] The questions are even greater where, as here, doing so will dilute the amount of CALLS-based interstate access support that is available to meet the fund's primary goal.

Moreover, the pending ETC petitions appear to be just the tip of the iceberg. Many of the petitioners here appear to be undertaking a strategy to seek high-cost support in *all* states in which they operate. *See* Attachment B. Indeed, many states have two or more wireless carriers seeking high cost support for the same state. *See* Attachments B, C. For example, in Virginia, at least six separate wireless companies either are seeking or already have sought ETC status.[10] And to the extent that wireless companies begin to consider high-cost funding as part of their business plan for competing in rural and high cost areas, they put pressure on other wireless carriers to seek the same funding, in order

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[9] *Multi-Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Separate Statement of Commissioner Kevin J. Martin, 16 FCC Rcd 19613, 19746 (2001); *see also* Jonathan S. Adelstein, Commissioner, FCC, Remarks before the National Association of Regulatory Utility Commissioners (Feb. 25, 2003), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-231648A1.pdf.

[10] *See* Alltel Communications, Inc., *Application for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45 (filed Apr. 14, 2003); NCPR, Inc. d/b/a Nextel Partners, *Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45 (filed Apr. 23, 2003); Sprint Corporation, *Application for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45 (filed Aug. 29, 2003); Virginia PCS Alliance, L.C. and Richmond 20 MHz, LLC (D.B.A. NTELOS), *Application for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45 (filed Nov. 10, 2003); *see generally Virginia Cellular Order*; *Highland Cellular Order*.

to remain competitive. Thus, it is conservative to estimate that, without any changes to the Commission's portability rules, if the Commission were to grant all of the pending ETC petitions, and state commissions were to grant the ETC petitions pending before them, the cumulative impact will easily total hundreds of millions of dollars per year in additional high cost support. This is on top of the already "dramatic" recent increase in ETC funding commitments previously noted by the Commission.[11]

The Commission has before it a pending Joint Board Recommended Decision in the high cost portability proceeding. *See Federal-State Joint Board on Universal Service*, 19 FCC Rcd 4257 (2004). As commenters in that proceeding (including Verizon) have noted, the Commission should change the portability rules so that consumers are not subsidizing redundant networks in places where it is not efficient for even one to operate without universal service support, and so that CALLS support is not diluted from its intended purpose. *Comments of Verizon*, CC Docket No. 96-45, at 4-7 (filed May 5, 2003). The Commission should refrain from granting any future ETC petitions until that proceeding has been resolved.

II. Petitioners Must Demonstrate That ETC Designations In Non-Rural Areas Would Be In The Public Interest.

Even following the clear direction of the *Virginia Cellular Order*, some ETCs have claimed that an ETC applicant in a non-rural area may obtain ETC status without *any* demonstration that a grant of its application is "consistent with the public interest,

[11] *See Highland Cellular Order*, ¶ 25 (noting that, in the first quarter of 2001, three competitive ETCs received approximately $2 million in high cost support; by fourth quarter 2003, it had grown to 112 competitive ETCs receiving $32 million per quarter); *see also* Federal Universal Service Support Mechanisms Fund Size Projections for the First Quarter of 2004, Appendix HC1 (Universal Service Administrative Company) (estimating that 121 competitive ETCs would receive approximately $41 million during the first quarter of 2004).

convenience, and necessity."[12] Because this reading of Sections 214(e)(2) and (6) conflicts with the plain language of the statute and causes absurd results, the Commission should reject it. It also should reject any pending petition for ETC status in non-rural areas that fails to analyze whether such designation would satisfy the public interest standard set forth in the *Virginia Cellular Order*.

Section 214(e)(6) provides in pertinent part that:

> Upon request and consistent with the public interest, convenience and necessity, the Commission may, with respect to an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated under this paragraph, so long as each additional requesting carrier meets the requirements of paragraph 1.

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[12] *See* Sprint Corporation, *Petition for Reconsideration*, CC Docket No. 96-45 (filed Feb. 23, 2004) ("*Sprint Petition for Reconsideration*"); *see also* Letter from Glenn S. Rabin, Alltel, to Marlene Dortch, FCC, CC Docket No. 96-45, at 6 (filed Mar. 1, 2004) (stating that "the public interest factors delineated in the Virginia Cellular Order, other than the service commitments, apply exclusively to the public interest analysis for rural service areas and not to the non-rural service areas that are the subject of this supplement"); Cellular South Licenses Inc., *Supplement to Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama*, CC Docket No. 96-45, at 5 n.9 (filed May 14, 2004) ("*Cellular South Supplement*") (arguing that no public interest showing is required in non-rural areas because the FCC's reading directly contradicts the language in Section 214(e)(6) and the presence of the "boilerplate phrase 'consistent with the public interest convenience and necessity' in the statute does not amount to an extension of the public interest analysis to non-rural areas, as such a reading would render meaningless the distinction between 'may' and 'shall'"); RCC Holdings, Inc., *Supplement to Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama*, CC Docket No. 96-45, at 6 n.11 (filed May 14, 2004) ("*RCC Supplement*") (same); Smith Bagley, Inc., *Supplement to Petition for Designation as an Eligible Telecommunications Carrier for the Navajo Reservation in Utah*, at 2 (filed May 14, 2004) (objecting to the test announced in the *Virginia Cellular Order* and the *Highland Cellular Order*).

47 U.S.C. § 214(e)(6).[13] In the *Virginia Cellular Order*, the Commission correctly interpreted this provision to require an ETC applicant in a non-rural area to demonstrate that a grant of its application is "consistent with the public interest, convenience, and necessity." *Virginia Cellular Order*, ¶ 26. The Commission also properly found that an applicant's burden extends beyond making a simple showing that the designation of an additional ETC carrier in a non-rural area complies with Section 214(e)(1). *Id.* ¶ 27.

The "statutory language at issue, as well as the language and design of the statute as a whole" compelled the Commission's determinations. *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281, 291 (1988). Indeed, as the D.C. Circuit has held, "[a]ny party attempting to demonstrate that the introductory wording of a section in a statute should be deemed inapplicable to one of its subsections . . . clearly must carry a heavy burden of persuasion." *Gen. Svc. Employees Union Local No. 73 v. Nat'l Labor Relations Bd.*, 578 F.2d 361, 367 (D.C. Cir. 1978). In light of the statute's plain language, it is *impossible* to logically read the requirement that an application be "consistent with the public interest, convenience, and necessity" as applying only to applications for ETC status in rural areas. Contrary to the contention of some ETC petitioners, the only reasonable interpretation of this introductory phrase is that it applies to the rest of the sentence that follows it. *See id.*; *see also Citizens to Save Spencer C'ty v. EPA*, 600 F.2d 844, 861 (1979) (rejecting argument that "'introductory' phrase" was a "'scrap of general language'" and concluding, instead, that it applied to the statutory terms that followed it).

The opening clause of Section 214(e)(6) applies, as a simple grammatical matter, to the entirety of the text that ensues. The sentence that constitutes that subsection

[13] Section 214(e)(2) contains identical language, except that it refers to (and applies to) decisions by State Commissions, rather than the FCC, regarding ETC applications.

begins: "Upon request and consistent with the public interest, convenience, and necessity, …". This is a conditional clause that, as the placement of the comma at the end makes perfectly clear, qualifies the Commission's authority in adjudicating both rural and non-rural applications for ETC status.[14] In both cases, a party must have filed a request *and* the ultimate grant must comport with the public interest.

Sprint has nevertheless filed a petition for reconsideration of that portion of the *Virginia Cellular Order*, seeking to avoid the import of the statute's basic language and structure by focusing upon the juxtaposition of Congress' use of the term "may" with respect to rural areas and its use of the term "shall" with respect to non-rural areas, and has presented nearly identical arguments in its Supplement to its pending petitions for ETC designation. *Sprint Petition for Reconsideration*, at 3-4; *see* Sprint Corporation, *Supplement to Petitions for Designation as an Eligible Telecommunications Carrier in Alabama, Florida, Georgia, New York, North Carolina, Pennsylvania, Tennessee, and Virginia*, CC Docket No. 96-45, at 4-6 (filed May 14, 2004) ("*Sprint Supplement*").

The fact that the Commission "may" designate an ETC that meets the statutory criteria for designation in rural areas while it "shall" do so in non-rural areas simply means that the Commission has more discretion in the context of designating ETCs in one context than in the other.[15] In rural areas, the Commission has discretion to deny an

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[14] *E.g.*, *Anhydrides & Chemicals, Inc. v. United States*, 130 F.3d 1481, 1483 (Fed. Cir. 1997) (stating that "rules of grammar apply in statutory construction"); *Ginsburg, Feldman & Bress v. Federal Energy Admin*., 591 F.2d 717, 741 (D.C. Cir. 1978) (rejecting interpretation of statute that was "violative of basic rules of English grammar").

[15] *Lopez v. Davis*, 531 U.S. 230, 241 (2001) (the use of "may" vests an agency with broad discretion, while the use of "shall" elsewhere in the same statute imposes "discretionless obligations"); *see Appalachian Power Co. v. EPA*, 135 F.3d 791, 807 (D.C. Cir. 1998).

ETC application even if a grant of the application would be "consistent with the public interest, convenience and necessity." 47 U.S.C. § 214(e)(6); *see id.* § 214(e)(2). In non-rural areas, by contrast, once the Commission determines that granting an ETC application meets the public interest test, it has no discretion at all and must grant the application. Despite Sprint's protestations to the contrary, this difference in the level of the Commission's discretion says nothing about whether a public interest showing is required in the context of non-rural areas. And it certainly cannot undo the fact that the opening clause of Section 214(e)(6) by its language and structure extends to the whole subsection.

Not only is Sprint's proffered interpretation inconsistent with the statutory language, but it also would lead to entirely absurd results. If an application for ETC designation in a non-rural area need not be "consistent with the public interest, convenience, and necessity" because that phrase does not apply to the entirety of the remaining sentence, then no application is required at all. This is because the requirement that ETC designation in a non-rural area be made based on an application is embodied in the statute's "[u]pon request" language, contained in the same clause as the public interest requirement and connected to that requirement with the term "and." If the "consistent with the public interest, convenience and necessity" language does not apply to all that follows it, then neither does the "[u]pon request" language. Sprint offers no explanation as to how ETC status would be obtained in non-rural areas if not "[u]pon request" and, indeed, no such explanation exists. Because Sprint's interpretation would

lead to an absurd situation in which no application would be required for non-rural areas, it must be rejected.[16]

Contrary to the contentions advanced by Cellular South and RCC in their supplements, moreover, the statute's "public interest, convenience, and necessity" language is not a mere "boilerplate phrase" that can simply be disregarded.[17] Rather, the public interest standard lies at the heart of the Commission's regulatory authority. In addition, Cellular South and RCC's argument that the Commission should ignore this statutory language, which as noted above applies as a grammatical matter to the entire subsection that follows it, runs afoul of the well-established principle that statutes must be read "to give effect, if possible, to every clause and word of a statute" and to avoid "emasculat[ing] an entire section." *United States v. Menasche*, 348 U.S. 528, 538-39 (1955); *see* 2A Norman J. Singer, Statutes and Statutory Construction § 46.06 (6th ed. 2000); *C.F. Communications Corp. v. Federal Communications Comm'n*, 128 F.2d 735, 739 (D.C. Cir. 1997).[18]

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[16] *Griffin v. Oceanic Contractors, Inc.*, 458 U.S. 564, 575 (1982) ("[I]nterpretations of a statute which would produce absurd results are to be avoided if alternative interpretations consistent with the legislative purpose are available."); *FTC v. Ken Roberts Co.*, 276 F.3d 583, 590 (D.C. Cir. 2001) (rejecting interpretation of statute because it "produces potentially absurd results").

[17] *Cellular South Supplement*, at 5 n.9; *RCC Supplement*, at 6 n.11.

[18] Cellular South and RCC rely on this very canon of construction to argue that the Commission's interpretation of the statute would render meaningless Congress' use of the term "may" with respect to rural areas and its disparate use of the term "shall" with respect to non-rural areas. *Cellular South Supplement*, at 5 n.9; *RCC Supplement*, at 6 n.11. These petitioners do not explain, however, how the FCC's interpretation actually accomplishes this result. As explained above, moreover, interpreting the "necessary in the public interest" to apply to non-rural areas is entirely consistent with the use of "may" and "shall" in different parts of the statute, and is, indeed, the only reading that gives import to all of the language contained in the statute.

Because the language of the statute is plain and because interpreting the "necessary in the public interest" language to apply only to rural areas is entirely illogical, there is no need to resort to the legislative history as Sprint would have the Commission do.[19] Even if an examination of the legislative history were appropriate, however, it does not support Sprint's reading of the statute. The portion of the legislative history upon which Sprint relies fails to make plain that an ETC application may not be granted unless it is consistent with the public interest.[20] But it is well established that the absence of language in the legislative history cannot be used to override the express terms of the statute.[21] Accordingly, there is no basis for the FCC to disturb its finding in the *Virginia Cellular Order* that ETC applicants in non-rural areas must demonstrate that a grant of ETC status will be "consistent with the public interest, convenience and necessity."

Moreover, the Commission should reject claims that it has not provided applicants with sufficient guidance regarding the content of the "public interest" test that it will apply to applications for ETC status in non-rural areas. *See Sprint Petition for*

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[19] *Sprint Petition for Reconsideration*, at 3 & n.4; *see, e.g.*, *HUD v. Rucker*, 535 U.S. 125, 132 (2002) (stating that "reference to legislative history is inappropriate when the text of the statute is unambiguous"); *AT&T Corp. v. FCC*, 323 F.3d 1081, 1083 (D.C. Cir. 2003) (stating that "where the statute's text is clear, we have no need to resort to [the] legislative history")

[20] *See Sprint Petition for Reconsideration*, at 3 n.4 (quoting *1996 Act Conference Report* at 141).

[21] *See, e.g.*, *Ratzlaf v. United States*, 510 U.S. 135, 147-48 (1994). In addition, the second sentence of the legislative history quoted by Sprint does not even apply to the provision at issue here. That sentence refers to the last sentence of Section 214(e)(6), which governs rural areas only.

Reconsideration, at 4; *Sprint Supplement*, at 5-6.[22] In the *Virginia Cellular Order*, the Commission stated that the applicant's satisfaction of the public interest test that applies to rural areas was more than sufficient to demonstrate compliance with the public interest test applicable to non-rural areas because the former is "more rigorous." *Virginia Cellular Order*, ¶ 27. This makes clear that in non-rural areas, the same factors as apply in rural areas are relevant, but that a carrier need not make as strong a showing to obtain ETC status in non-rural areas. Those factors are: (1) the benefits of increased competitive choice; (2) the impact of designation on the universal service fund; (3) the unique advantages of the competitor's service offering; (4) any commitments made regarding quality of telephone service; and (5) the competitive ETC's ability to satisfy its obligation to serve the designated service areas within a reasonable time frame. *Id.* ¶ 28. Unless and until a different standard is announced in the Joint Board portability proceeding, petitioners seeking ETC status in non-rural areas must address the same factors that are at issue in a rural public interest analysis.[23] Although some factors may be more at issue in rural than non-rural areas (or vice versa), and thus the balancing of

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[22] Despite its contention that the Commission failed to offer adequate guidance as to the standards that it would apply, Sprint managed to provide over 12 pages of discussion regarding why its petitions for ETC status in non-rural areas meet the new public interest test. *See Sprint Supplement*, at 6-19.

[23] The Commission has noted that the outcome of the Joint Board portability proceeding could impact the Commission's public interest analysis for future ETC designations in both rural and non-rural areas. *See Virginia Cellular Order*, ¶¶ 27, 28. Accordingly, the test announced in the *Virginia Cellular Order* is an interim standard only, and proceedings stemming from the *Portability Public Notice* will ultimately resolve the precise public interest that will apply in rural and non-rural areas.

those factors may not always be the same, the same analysis and set of factors should be considered in both rural and non-rural areas.[24]

III. Rural Cream-Skimming Concerns Must Be Addressed.

Many of the petitioners addressed by the pending public notices are seeking to serve only their existing service territory, in areas where they are seeking rural, high-cost support.[25] To the extent they have not already done so, those petitioners should be

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[24] Several parties jointly filed a response to Verizon's May 7, 2004 Opposition to the petitions for ETC designation covered by the Commission's public notice DA 04-998, arguing that Verizon's Opposition was procedurally improper and substantively incorrect. *See* N.E. Colorado Cellular, Inc., Midwest Holdings, L.L.C., Rural Cellular Corporation, and U.S. Cellular Corporation, *Response to Opposition of Verizon*, CC Docket No. 96-45 (filed May 14, 2004). To the extent that the standard adopted by the Commission in *Virginia Cellular* is the standard that will apply to the petitions covered by both the Commission's public notice DA 04-998 and the instant public notice, it is appropriate to discuss why that standard is the appropriate one for the Commission to apply in response to both public notices. Moreover, because Sprint has raised again in its Supplement issues that are nearly identical to those raised in its Petition for Reconsideration, these comments are procedurally proper and any objection to Verizon's discussion of the appropriate standard is moot. *See Sprint Supplement*, at 4-6. In addition, the joint petitioners' criticism of the FCC's reliance on the Fifth Circuit's decision in *Texas Office of Public Utility Council v. FCC*, 183 F.3d 393 (5th Cir. 1999) ("*TOPUC*"), is a red herring. The Commission, in construing § 214(e)(6), simply noted that *TOPUC*'s interpretation of identical statutory language in § 214(e)(2) governing state decisions on ETC applications was "consistent with" its construction of FCC authority over such applications. *Virginia Cellular Order*, ¶ 46 & n.141. Furthermore, the critical point is that the Commission provided ample explanation for its underlying decision to construe § 214(e)(6) as permitting a public interest overlay for ETC applicants in non-rural areas. In addition to its citation of *TOPUC* as persuasive authority, the Commission supplied other reasons to support its determination as well. *See Virginia Cellular Order*, ¶¶ 27, 46. The Commission's sum total explanation for its decision is more than sufficient.

[25] *See, e.g.*, Alltel Communications, Inc., *Application for Designation as an Eligible Telecommunications Carrier in the State of Alabama*, CC Docket No. 96-45 (filed Aug. 26, 2003); NPCR, Inc. d/b/a Nextel Partners, *Petition for Designation as an Eligible Telecommunications Carrier in the State of New York*, CC Docket No. 96-45 (filed Apr. 3, 2003); Guam Cellular and Paging, Inc. d/b/a Saipancell, *Petition for Designation as an Eligible Telecommunications Carrier on the Island of Saipan*, CC Docket No. 96-45 (filed Feb. 19, 2002).

required to supplement the record to address the Commission's statements in the *Highland Cellular Order* concerning creamskimming.[26] Specifically, the Commission noted that even if there is no evidence that a wireless carrier is deliberately seeking to serve only the lowest cost customers in a high-cost area, "we recognize that, for reasons beyond a competitive carrier's control, the lowest cost portion of a rural study area may be the only portion of the study area that a wireless carrier is licensed to serve. Under these circumstances, granting a carrier ETC designation only for its licensed portion of the rural study area may have the same effect on the ILEC as rural creamskimming." *Highland Cellular Order*, ¶ 27.

If carriers are seeking to serve only a portion of a rural high-cost area, they should provide an analysis of the creamskimming concerns raised in the *Highland Cellular Order*. At a minimum, that would include identifying which portion of the rural wire centers they propose to serve, population density information regarding the areas they are proposing to serve versus the areas they would not serve, and any other factors (such as terrain, or loop links), that would affect the analysis of whether they are serving only the lowest cost areas, and thus determine whether the effect of allowing them to serve less than the full portion of the study area would result in creamskimming.

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[26] Creamskimming in this context refers to the practice of targeting only the customers that are the least expensive to serve, thereby undercutting the ILEC's ability to provide service throughout the area. *See Virginia Cellular Order*, ¶ 32 n.102.

Conclusion

The Commission should refrain from deciding any pending ETC petitions until it resolves the issues raised in the Joint Board portability proceeding.

Respectfully submitted,

/S/

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ATTACHMENT A

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

ATTACHMENT B

HIGH COST FUND AMOUNTS INVOLVED IN PENDING SUPPLEMENTED PETITIONS FOR ETC DESIGNATION AND REDEFINITION OF SERVICE AREAS COVERED BY PUBLIC NOTICES DA04-998 AND DA04-999

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Alltel Communications, Inc. (GA) [1]	GA	220395	Accucomm Telecommunications, Inc.	R	$175,376	$701,506	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220395	Accucomm Telecommunications, Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250302	Alltel Alabama, Inc.	R	$847,517	$3,390,070	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230476	Alltel Carolina Inc. - North [3]	R	$859,134	$3,436,536	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210336	Alltel Florida Inc.	R	$293,352	$1,173,408	$0	$0
NPCR, Inc. d/b/a Nextel Partners (FL)	FL	210336	Alltel Florida Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	223037	Alltel Georgia Communication Corp. [3]	R	$1,780,408	$7,121,633	$0	$0
Public Service Cellular, Inc. (GA) [1]	GA	223037	Alltel Georgia Communication Corp. [2], [3]	R	$0	$0	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220357	Alltel Georgia Inc. [3]	R	$2,029,209	$8,116,836	$0	$0
Public Service Cellular, Inc. (GA) [1]	GA	220357	Alltel Georgia Inc. [2], [3]	R	$0	$0	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220344	Alma Tel. Co. Inc.	R	$413,907	$1,655,626	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190217	Amelia Tel. Corp. dba TDS Telecom	R	$286,373	$1,145,490	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190217	Amelia Tel. Corp. dba TDS Telecom [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330842	Amery Telcom, Inc. [3]	R	$241,443	$965,772	$0	$0
Corr Wireless Communications, LLC [1]	AL		Ardmore Telephone Company [4]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150071	Armstrong Tel. Co. - NY	R	$328,628	$1,314,513	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170195	Armstrong Tel. Co. North	R	$37,490	$149,962	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230468	Atlantic Tel. Membership Corp.	R	$608,767	$2,435,067	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	235193	BELLSOUTH - NC ("BellSouth Telecomm Inc.")	N	$0	$0	$2,616,132	$10,464,528
Sprint Corporation (NC)	NC	235193	BELLSOUTH - NC [2]	N	$0	$0	$0	$0
AT&T Wireless Services, Inc. (AL)	AL	255181	BELLSOUTH - AL [3]	N	$0	$0	$8,727,621	$34,910,484
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	255181	BELLSOUTH - AL [2]	N	$0	$0	$0	$0
Public Service Cellular, Inc. (AL) [1]	AL	255181	BELLSOUTH - AL ("BellSouth Telecomm Inc. d/b/a South Central Bell Tel & Tel") [2], [3]	N	$0	$0	$0	$0
Sprint Corporation (AL) [1]	AL	255181	BELLSOUTH - AL ("BellSouth Telecomm Inc. d/b/a South Central Bell Tel") [2]	N	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	255181	BELLSOUTH - AL ("BellSouth Telecomm Inc. d/b/a South") [2]	N	$0	$0	$0	$0
Louisiana Unwired, LLC [1]	AL	255181	BELLSOUTH - AL [2], [3]	N	$0	$0	$0	$0

See Consolidated Notes at end of Table.

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Alltel Communications, Inc. (GA) [1]	GA	225192	BELLSOUTH - GA ("BellSouth Telecomm Inc. d/b/a South") [3]	N	$0	$0	$3,396,288	$13,585,152
Public Service Cellular, Inc. (GA) [1]	GA	225192	BELLSOUTH - GA ("BellSouth Telecomm Inc. d/b/a Southern Bell Tel & Tel") [2], [3]	N	$0	$0	$0	$0
Sprint Corporation (GA) [1]	GA	225192	BELLSOUTH - GA ("BellSouth Telecomm Inc. d/b/a Southern Bell Tel & Tel") [2]	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	225192	BELLSOUTH - GA [2], [3]	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (TN)	TN	295185	BELLSOUTH - TN	N	$0	$0	$1,899,156	$7,596,624
Advantage Cellular Systems, Inc. (TN) [1]	TN	295185	BELLSOUTH - TN [2], [3]	N	$0	$0	$0	$0
Sprint Corporation (TN) [1]	TN	295185	BELLSOUTH - TN ("Bellsouth Telecomm Inc. d/b/a South Central Bell Tel.") [2]	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (FL)	FL	215191	BELLSOUTH TELECOMMUNICATIONS - FL	N	$0	$0	$2,500,428	$10,001,712
Alltel Communications, Inc (FL) [1]	FL	215191	BELLSOUTH TELECOMMUNICATIONS - FL ("Bellsouth Telecomm Inc. d/b/a South") [2], [3]	N	$0	$0	$0	$0
Sprint Corporation (FL) [1]	FL	215191	BELLSOUTH TELECOMMUNICATIONS - FL ("BellSouth Telecomm Inc. d/b/a Southern Bell Tel & Tel") [2], [3]	N	$0	$0	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	299001	Ben Lomand Communications, Inc. ("Ben Lomand")	R	$57,009	$228,036	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290553	Ben Lomand Rural Tel. Coop. Inc. ("Ben Lomand")	R	$684,657	$2,738,628	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150073	Berkshire Tel. Co.	R	$218,796	$875,184	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330849	Black Earth Tel. Co. dba TDS Telecom [3]	R	$50,180	$200,720	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290554	Bledsoe Tel. Coop. [3]	R	$222,456	$889,824	$0	$0
Corr Wireless Communications, LLC [1]	AL	250282	Blountsville Tel. Co. Inc.	R	$375,565	$1,502,260	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220347	Brantley Tel. Co. Inc.	R	$536,223	$2,144,891	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170151	Buffalo Valley Tel. Co.	R	$170,070	$680,280	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190219	Buggs Island Tel. Coop.	R	$149,004	$596,016	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220348	Bulloch County Rural Tel. Coop. Inc.	R	$495,980	$1,983,922	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220348	Bulloch County Rural Tel. Coop. Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190220	Burke's Garden Tel. Co. Inc.	R	$15,490	$61,960	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250284	Butler Tel. Co. Inc.dba TDS Telecom	R	$427,906	$1,711,626	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250284	Butler Tel. Co. Inc.dba TDS Telecom [2]	R	$0	$0	$0	$0

See Consolidated Notes at end of Table.

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Alltel Communications, Inc. (GA) [1]	GA	220351	Camden Tel. & Tele. Co. (GA)dba TDS Telecom	R	$430,017	$1,720,068	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150076	Cassadaga Telephone Corporation	R	$60,424	$241,697	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250285	Castleberry Tel. Co. Inc.	R	$57,771	$231,085	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250285	Castleberry Tel. Co. Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	331159	CenturyTel - Central WI [3]	R	$762,843	$3,051,372	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310671	CenturyTel Midwest-Michigan, Inc. [3] ("Century Telephone Midwest Inc.")	R	$1,753,920	$7,015,681	$0	$0
AT&T Wireless Services, Inc. (AL)	AL	259789	CenturyTel of Alabama, LLC (Northern)	N	$0	$0	$2,935,809	$11,743,236
Corr Wireless Communications, LLC [1]	AL	259789	CenturyTel of Alabama, LLC (Northern) [2]	N	$0	$0	$0	$0
Louisiana Unwired, LLC [1]	AL	259789	CenturyTel of Alabama, LLC (Northern) [2], [3]	N	$0	$0	$0	$0
Public Service Cellular, Inc. (AL) [1]	AL	259789	CenturyTel of Alabama, LLC (Northern) [2], [3]	N	$0	$0	$0	$0
Sprint Corporation (AL) [1]	AL	259789	CenturyTel of Alabama, LLC (Northern) [2]	N	$0	$0	$0	$0
AT&T Wireless Services, Inc. (AL)	AL	259788	CenturyTel of Alabama, LLC (Southern) [3]	N	$0	$0	$2,776,530	$11,106,120
Louisiana Unwired, LLC [1]	AL	259788	CenturyTel of Alabama, LLC (Southern) [2], [3]	N	$0	$0	$0	$0
Corr Wireless Communications, LLC [1]	AL	259788	CenturyTel of Alabama, LLC (Southern) [2]	N	$0	$0	$0	$0
Public Service Cellular, Inc. (AL) [1]	AL	259788	CenturyTel of Alabama, LLC (Southern) [2], [3]	N	$0	$0	$0	$0
Sprint Corporation (AL) [1]	AL	259788	CenturyTel of Alabama, LLC (Southern) [2]	N	$0	$0	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310702	CenturyTel of Michigan, Inc. [3] ("Century Telephone Co. of Michigan")	R	$1,988,421	$7,953,684	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330924	CenturyTel of Midwest-Kendall, Inc [3]	R	$661,113	$2,644,452	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330841	CenturyTel of Midwest-Wisconsin, Inc [3]	R	$962,579	$3,850,318	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330857	CenturyTel of Midwest-Wisconsin, Inc [3]	R	$56,770	$227,081	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330959	CenturyTel of Midwest-Wisconsin, Inc [3]	R	$45,048	$180,192	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330970	CenturyTel of Midwest-Wisconsin, Inc [3]	R	$261,109	$1,044,434	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330922	CenturyTel of Midwest-Wisconsin, Inc. [3]	R	$500,730	$2,002,920	$0	$0

See Consolidated Notes at end of Table.

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Minnesota Public Utilities Commission [1]	MN	361445	CenturyTel of Minnesota, Inc ("CenturyTel") [3]	R	$2,584,068	$10,336,270	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310705	CenturyTel of Northern Michigan, Inc. [3] ("Century Telephone Co. of North")	R	$145,889	$583,556	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330956	CenturyTel of Northern Wisconsin, Inc. [3]	R	$1,681,954	$6,727,816	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330950	CenturyTel of Northwest Wisconsin, Inc. [3]	R	$1,911,941	$7,647,762	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310689	CenturyTel of Upper Michigan, Inc. [3] ("Century Telephone of Upper Michigan")	R	$908,109	$3,632,435	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150077	Champlain Tel. Co.	R	$396,959	$1,587,835	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150078	Chautauqua & Erie Tel. Corp.	R	$425,784	$1,703,136	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150079	Chazy & Westport Tel. Corp.	R	$258,224	$1,032,896	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330860	Chequamegon Tel. Coop. Inc. [3]	R	$561,837	$2,247,349	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330861	Chibardun Tel. Coop. Inc. [3]	R	$314,442	$1,257,770	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	154534	CITIZENS TEL CO OF NY	R	$665,449	$2,661,796	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190225	Citizens Tel. Coop.	R	$249,913	$999,652	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290580	Citizens Telecomm Company of the Volunteer State, LLC d/b/a Frontier [3]	N		$0	$241,992	$967,968
Minnesota Public Utilities Commission [1]	MN	361123	CITIZENS TELECOMM. OF MN, INC. -LAKES ("Citizens Telecommunications Company") [3]	R	$220,539	$882,156	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	154532	CITIZENS TELECOM-NY	R	$1,604,410	$6,417,641	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150081	Citizens Telephone Company of Hammond NY, Inc.	R	$419,873	$1,679,493	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220355	Citizens Telephone Company, Inc	R	$472,347	$1,889,387	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	154533	CITIZENS-RED HOOK	R	$716,582	$2,866,328	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220356	Coastal Utilities Inc.	R	$1,973,701	$7,894,803	$0	$0
RCC Minnesota, Inc. [1]	ME	100015	Community Service Tel.Co. [3]	R	$269,438	$1,077,751	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220369	ComSouth Telecommunications, Inc.	R	$518,042	$2,072,166	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170162	Conestoga Tel. & Tel. Co.	R	$582,699	$2,330,796	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150085	Crown Point Tel. Corp.	R	$239,746	$958,986	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170161	C-TEC Co.	R	$3,505,065	$14,020,260	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170165	D&E Telephone Company	R	$514,980	$2,059,920	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220358	Darien Tel. Co. Inc.	R	$898,296	$3,593,186	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290562	DeKalb Tel. Coop. ("DTC")	R	$1,130,079	$4,520,315	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150088	Delhi Tel. Co.	R	$142,758	$571,032	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150089	Deposit Telephone Co. dba TDS Telecom	R	$200,790	$803,160	$0	$0

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Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150091	Dunkirk & Fredonia Telephone Company	R	$310,563	$1,242,252	$0	$0
Minnesota Public Utilities Commission [1]	MN	361386	Eckles Tel. Co. [3]	R	$140,553	$562,213	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150092	Edwards Tel. Co. dba TDS Telecom	R	$174,649	$698,594	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230478	Ellerbe Telephone Company	R	$80,997	$323,988	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150093	Empire Tel. Corp.	R	$312,048	$1,248,192	$0	$0
Minnesota Public Utilities Commission [1]	MN	361389	Farmers Mutual Tel. Co. [3]	R	$105,518	$422,071	$0	$0
Corr Wireless Communications, LLC [1]	AL	250290	Farmers Tel. Coop. Inc. [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250306	FC of Alabama, Inc.	R	$158,250	$633,000	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250306	FC of Alabama, Inc. [2] ("Frontier Communications of Alabama")	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150072	FC of Ausable Valley, Inc.	R	$253,689	$1,014,756	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170149	FC of Breezewood, Inc.	R	$81,288	$325,152	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170152	FC of Canton, Inc.	R	$46,362	$185,448	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250301	FC of Lamar County, Inc.	R	$129,397	$517,590	$0	$0
Minnesota Public Utilities Commission [1]	MN	361367	FC of Minnesota, Inc. ("Frontier Communications of Minnesota, Inc.") [3]	R	$238,494	$953,976	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330912	FC of Mondovi, Inc. [3] ("Frontier Communications of Mondo")	R	$21,189	$84,756	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150122	FC of Seneca Gorham, Inc.	R	$177,297	$709,188	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150128	FC of Sylvan Lake, Inc.	R	$254,841	$1,019,364	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330964	FC of Wisconsin, Inc. [3] ("Frontier Communications of Wisco")	R	$138,126	$552,504	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330944	FC- St. Croix, Inc. [3] ("Frontier Communications of St. Croix")	R	$273,561	$1,094,244	$0	$0
Minnesota Public Utilities Commission [1]	MN	361390	Federated Tel. Coop. [3]	R	$161,782	$647,129	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210318	FRONTIER COMM-SOUTH	R	$93,325	$373,299	$0	$0
NPCR, Inc. d/b/a Nextel Partners (FL)	FL	210318	FRONTIER COMM-SOUTH [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250318	FRONTIER COMM-SOUTH	R	$423,993	$1,695,972	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250318	FRONTIER COMM-SOUTH [2] ("Frontier Communications of the S")	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220387	Frontier Communications of Georgia, Inc.	R	$281,454	$1,125,816	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220387	Frontier Communications of Georgia, Inc. [2], [3]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150121	Frontier Telephone of Rochester, Inc.	N	$0	$0	$0	$0
Sprint Corporation (NY) [1]	NY	150121	Frontier Telephone of Rochester, Inc. [2]	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150106	Fulton Telephone Company dba ALLTEL	R	$155,337	$621,348	$0	$0

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Alltel Communications, Inc. (GA) [1]	GA	223036	Georgia Alltel Telecom, Inc. [3]	R	$887,273	$3,549,090	$0	$0
Public Service Cellular, Inc. (GA) [1]	GA	223036	Georgia Alltel Telecom, Inc. [2], [3]	R	$0	$0	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220364	Georgia Tel. Corp.dba ALLTEL ("Georgia Telephone Corp.")	R	$217,099	$868,396	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150097	Germantown Tel. Co. Inc.	R	$323,555	$1,294,221	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220365	Glenwood Telephone Company	R	$77,403	$309,611	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220365	Glenwood Telephone Company [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250295	Graceba Total Communications, Inc.	R	$259,704	$1,038,818	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250295	Graceba Total Communications, Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL		GTC, INC. - AL [4]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (FL)	FL	210291	GTC, Inc. dba GT Com	R	$238,685	$954,740	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210291	GTC, Inc. dba GT Com ("GTC, Inc. -- FL") [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210329	GTC, Inc. dba GT Com ("GTC, Inc. -- FL")	R	$236,316	$945,263	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210339	GTC, Inc. dba GT Com ("GTC, Inc. -- FL")	R	$1,869,952	$7,479,809	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250298	Gulf Telephone Company	R	$588,567	$2,354,268	$0	$0
AT&T Wireless Services, Inc. (AL)	AL	250298	Gulf Telephone Company [2], [3]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150099	Hancock Tel. Co.	R	$145,480	$581,921	$0	$0
Alltel Communications, Inc. (GA) [1]	GA		Hawkinsville Telephone Company [4]	R	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250299	Hayneville Tel. Co. Inc.	R	$280,689	$1,122,755	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250299	Hayneville Tel. Co. Inc. [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220371	Interstate Telephone Company	R	$496,038	$1,984,152	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170175	Ironton Telephone Company	R	$88,389	$353,556	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170177	Lackawaxen Telecommunication Services, Inc.	R	$121,284	$485,136	$0	$0
Minnesota Public Utilities Commission [1]	MN	361414	Lakedale Telephone Company [3]	R	$268,518	$1,074,072	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170179	Laurel Highland Tel. Co.	R	$91,647	$366,588	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230483	Lexcom Telephone Co.	R	$2,302,922	$9,211,688	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170183	Mahanoy & Mahantongo Tel. Co.dba TDS Telecom	R	$91,398	$365,590	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150104	Margaretville Tel. Co. Inc.	R	$132,342	$529,369	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170185	Marianna & Scenery Hill Tel. Co.	R	$241,901	$967,605	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230485	MebTel, Inc.	R	$76,536	$306,144	$0	$0
Minnesota Public Utilities Commission [1]	MN	361430	Melrose Tel. Co. [3]	R	$268,352	$1,073,408	$0	$0
Guam Cellular and Paging, Inc. d/b/a Saipancell (CNMI) [1]	MP	653700	Micronesian Telecommunications Corporation	R	$236,238	$944,952	$0	$0
Minnesota Public Utilities Commission [1]	MN	361433	Mid State Tel. Co. dba TDS Telecom [3]	R	$300,198	$1,200,792	$0	$0

See Consolidated Notes at end of Table.

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Alltel Communications, Inc. (WI) [1]	WI	330909	Midway Tel. Co. dba TDS Telecom [3]	R	$111,830	$447,320	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250304	Millry Telephone Co., Inc.	R	$421,994	$1,687,978	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250304	Millry Telephone Co., Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250305	Mon-Cre Tel. Coop. Inc.	R	$529,489	$2,117,955	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250305	Mon-Cre Tel. Coop. Inc. [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250307	Moundville Telephone Company	R	$237,578	$950,313	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330916	Mt. Horeb Tel. Co. [3]	R	$316,565	$1,266,260	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330917	Mt. Vernon Tel. Co. dba TDS Telecom [3]	R	$497,228	$1,988,913	$0	$0
Smith Bagley, Inc.	UT	504449	Navajo Communications Company	R	$86,456	$345,824	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	193029	New Castle Tel. Co. dba TDS Telecom	R	$123,362	$493,450	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190239	New Hope Switchboard Association	R	$47,695	$190,779	$0	$0
Corr Wireless Communications, LLC [1]	AL	250308	New Hope Tel. Coop.	R	$455,673	$1,822,691	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150107	Newport Telephone Company, Inc.	R	$128,014	$512,054	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290573	North Central Tel. Coop. Inc. [3]	R	$886,303	$3,545,212	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170191	North Eastern Pennsylvania Tel. Co.	R	$364,848	$1,459,391	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170192	North Penn Tel. Co.	R	$420,104	$1,680,415	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190236	North River Tel. Coop.	R	$40,551	$162,206	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230491	North State Telephone Company	N	$0	$0	$541,473	$2,165,892
Sprint Corporation (NC)	NC	230491	North State Telephone Company [2]	N	$0	$0	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210335	Northeast Florida Tel. Co. Inc.	R	$572,586	$2,290,342	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330938	Northeast Tel. Co.	R	$182,541	$730,164	$0	$0
RCC Minnesota, Inc. [1]	ME	103313	Northland Telephone of ME, Inc. [3]	R	$1,970,433	$7,881,731	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190226	NTELOS, Inc.	R	$553,218	$2,212,872	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150110	Ogden Telephone Company	R	$109,656	$438,624	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150111	Oneida County Rural Tel. Co.	R	$342,075	$1,368,299	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150112	Ontario Tel. Co. Inc.	R	$143,193	$572,772	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150114	Oriskany Falls Tel. Corp. dba TDS Telecom	R	$5,847	$23,388	$0	$0
Corr Wireless Communications, LLC [1]	AL	250312	Otelco Telephone LLC	R	$220,983	$883,932	$0	$0
RCC Minnesota, Inc. [1]	ME	100019	OXFORD COUNTY TEL ("Oxford County Telephone & Telegraph Co.") [3]	R	$322,161	$1,288,644	$0	$0
RCC Minnesota, Inc. [1]	ME	100002	OXFORD WEST TEL CO [3]	R	$279,797	$1,119,190	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170196	Palmerton Telephone Company	R	$249,627	$998,508	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150116	PATTERSONVILLE TEL	R	$112,197	$448,790	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220376	Pembroke Tel. Co. Inc.	R	$436,638	$1,746,554	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220376	Pembroke Tel. Co. Inc. [2]	R	$0	$0	$0	$0

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Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190243	Pembroke Telephone Coop.	R	$112,883	$451,532	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170197	Pennsylvania Tel. Co.	R	$32,440	$129,760	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190244	Peoples Mutual Telephone	R	$371,157	$1,484,630	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190244	Peoples Mutual Telephone [2]	R	$0	$0	$0	$0
Corr Wireless Communications, LLC [1]	AL	250314	Peoples Telephone Co. dba TDS Telecom	R	$928,688	$3,714,751	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230497	Piedmont Telephone Membership Corp.	R	$106,234	$424,937	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310721	Pigeon Telephone Company [3]	R	$286,578	$1,146,313	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250315	Pine Belt Tel. Co. Inc.	R	$321,536	$1,286,142	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250315	Pine Belt Tel. Co. Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220377	Pineland Tel. Coop. Inc.	R	$639,915	$2,559,660	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220377	Pineland Tel. Coop. Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230494	Pineville Tel. Co.	R	$77,688	$310,752	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220379	Plant Telephone Company	R	$782,974	$3,131,897	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220379	Plant Telephone Company [2], [3]	R	$0	$0	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220378	Planters Telephone Rural Telephone Co-op	R	$668,447	$2,673,788	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220378	Planters Telephone Rural Telephone Co-op [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150118	Port Byron Tel. Co.dba TDS Telecom	R	$150,025	$600,101	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220380	Progressive Rural Tel. Coop. Inc.	R	$208,555	$834,222	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220380	Progressive Rural Tel. Coop. Inc. [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220381	Public Service Telephone Company	R	$2,425,646	$9,702,584	$0	$0
Public Service Cellular, Inc. (GA) [1]	GA	220381	Public Service Telephone Company [2], [3]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170200	Pymatuning Independent Tel. Co.	R	$76,161	$304,644	$0	$0
NPCR, Inc. d/b/a Nextel Partners (FL)	FL	210338	QUINCY TEL CO-FL DIV	R	$426,236	$1,704,943	$0	$0
Alltel Communications, Inc. (FL) [1]	FL	210338	QUINCY TEL CO-FL DIV [2]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220338	QUINCY TEL CO-GA DIV	R	$60,145	$240,580	$0	$0
Alltel Communications, Inc. (GA) [1]	GA	220338	QUINCY TEL CO-GA DIV ("Quincy Telephone Co.") [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230495	Randolph Tel. Co.	R	$124,509	$498,036	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230496	Randolph Tel. Membership Corp.	R	$249,238	$996,954	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150113	Red Jacket Telephone Company dba ALLTEL	R	$31,209	$124,836	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330870	Rhinelander Telephone Company [3]	R	$159,006	$636,023	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330940	Rhinelander Telephone Company [3]	R	$169,929	$679,716	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330941	Rhinelander Telephone Company [3]	R	$34,574	$138,296	$0	$0

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NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190249	Roanoke & Botetourt Tel. Co.	R	$626,495	$2,505,981	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190248	Scott County Tel. Coop.	R	$332,508	$1,330,033	$0	$0
Minnesota Public Utilities Commission [1]	MN	361479	Scott Rice Tel. Co. [3]	R	$289,764	$1,159,056	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230500	Service Tel. Co. dba TDS Telecom	R	$64,029	$256,117	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190250	Shenandoah Telephone Company	R	$564,303	$2,257,212	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310726	Shiawassee Tel. Co. dba TDS Telecom [3]	R	$302,908	$1,211,631	$0	$0
RCC Minnesota, Inc. [1]	ME	100024	Somerset Tel. Co. dba TDS Telecom [3]	R	$530,368	$2,121,472	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170204	South Canaan Tel. Co.	R	$111,417	$445,669	$0	$0
Virginia PCS Alliance and Richmond 20 MHz, LLC d/b/a NTELOS (VA) [1]	VA		Sprint (Centel) [4]	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190567	SPRINT / UNITED SOUTHEAST-VA [3]	R	$343,314	$1,373,256	$0	$0
Alltel Communications, Inc. (FL) [1]	FL		Sprint Florida Inc. d/b/a United; Sprint Florida Inc. d/b/a Central [4]	N	$0	$0	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230470	Sprint/Carolina Telephone & Telegraph Co. ("Sprint Mid-Atlantic")	R	$2,221,548	$8,886,192	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230471	Sprint/Central Telephone Company - North Carolina ("Central Telephone Co.") [3]	R	$504,615	$2,018,460	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190254	Sprint/Central Telephone Company of Virginia ("Central Telephone Co. -- Virginia") [3]	R	$2,238,825	$8,955,300	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190254	Sprint/Central Telephone Company of Virginia [2], [3]	R	$0	$0	$0	$0
RCC Minnesota, Inc. [1]	ME	100025	Standish Tel. Co. [3]	R	$1,135,666	$4,542,663	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230502	Star Tel. Membership Corp.	R	$717,476	$2,869,905	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150125	State Tel. Co.	R	$95,112	$380,448		$0
Alltel Communications, Inc. (WI) [1]	WI	330954	Stockbridge & Sherwood Tel. Co. dba TDS Telecom [3]	R	$141,785	$567,139	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170206	Sugar Valley Tel. Co. dba TDS Telecom	R	$62,581	$250,323	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230503	Surry Tel. Membership Corp. [3]	R	$261,729	$1,046,916	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150084	Taconic Tel. Corp.	R	$447,942	$1,791,768	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	331155	Telephone USA of WI [3]	R	$1,213,710	$4,854,840	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170145	The Bentleyville Telephone Company	R	$85,185	$340,740	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230474	The Concord Telephone Company, Inc.	R	$533,166	$2,132,664	$0	$0
RCC Minnesota, Inc. [1]	ME	100007	The Island Telephone Co. dba TDS Telecom ("Island Telephone Co.") [3]	R	$162,021	$648,084	$0	$0

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NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150105	The Middleburgh Telephone Company	R	$199,431	$797,724	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150129	Township Telephone Co. dba TDS Telecom	R	$154,049	$616,195	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230505	Tri-County Tel. Membership Corp.	R	$136,968	$547,873	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150131	Trumansburg Home Tel. Co.	R	$336,640	$1,346,559	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290579	Twin Lakes Tel. Coop. Corp.[3]	R	$530,290	$2,121,159	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250322	Union Springs Tel. Co. Inc.	R	$264,006	$1,056,023	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250322	Union Springs Tel. Co. Inc. [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190567	UNITED INTER-MT-VA ("United Inter-Mountain Telephone") [3], [5]	R	$315,486	$1,261,944	$0	$0
Advantage Cellular Systems, Inc. (TN) [1]	TN	290581	United Tel. Co. Inc. - TN [3]	R	$1,228,841	$4,915,362	$0	$0
Minnesota Public Utilities Commission [1]	MN		United Tel. Co. of Minnesota (UTC of Minnesota) [3], [4]	R	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (TN)	TN	290567	UNITED TELEPHONE INTER-MOUNTAIN - TN [3]	R	$462,582	$1,850,328	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170210	Venus Tel. Corp.	R	$81,011	$324,045	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	155130	Verizon - New York Inc.	N	$0	$0	$2,255,574	$9,022,296
Sprint Corporation (NY) [1]	NY	155130	Verizon - New York Inc. [2]	N	$0	$0	$0	0
Alltel Communications, Inc (FL) [1]	FL	210328	Verizon Florida, Inc.	N	$0	$0	$7,003,890	$28,015,560
Sprint Corporation (FL) [1]	FL	210328	Verizon Florida, Inc. [2]	N	$0	$0	$0	$0
Sprint Corporation (PA)	PA	170169	VERIZON NORTH INC - PA	N	$0	$0	$850,875	$3,403,500
Alltel Communications, Inc. (AL) [1]	AL		Verizon North Inc. [4]	N	$0	$0	$0	$0
Sprint Corporation (PA)	PA	17500	Verizon-PA	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250281	VERIZON S-AL(CONTEL) [6]	N	$0	$0	$2,842,062	$11,368,248
Virginia PCS Alliance and Richmond 20 MHz, LLC d/b/a NTELOS (VA) [1]	VA		Verizon South (GTE) [4]	N	$0	$0	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230509	VERIZON SOUTH INC - NC (CONTEL)	N	$0	$0	$1,236,621	$4,946,484
Alltel Communications, Inc. (VA) [1]	VA	190479	VERIZON SOUTH INC - VA	R	$370,038	$1,480,152	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190479	VERIZON SOUTH INC - VA [2]	R	$0	$0	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	190233	VERIZON SOUTH INC - VA (CONTEL)	N	$0	$0	$9,618,405	$38,473,620
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190233	VERIZON SOUTH INC - VA (CONTEL) [2], [3]	N	$0		$0	$0
Sprint Corporation (VA) [1]	VA	190233	VERIZON SOUTH INC - VA (CONTEL) [2]	N	$0	$0	$0	$0
Virginia PCS Alliance and Richmond 20 MHz, LLC d/b/a NTELOS (VA) [1]	VA	190233	VERIZON SOUTH INC - VA (CONTEL) [2], [3]	N	$0	$0	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230479	VERIZON SOUTH INC. - NC	N	$0	$0	$2,047,620	$8,190,480
Sprint Corporation (NC)	NC	230479	VERIZON SOUTH INC. - NC [2]	N	$0	$0	$0	$0
Alltel Communications, Inc. (AL) [1]	AL	250293	VERIZON SOUTH-AL ("Verizon South Inc. - AL") [6]	N	$0	$0	$2,756,010	$11,024,040
NPCR, Inc. d/b/a Nextel Partners (AL)	AL	250293	VERIZON SOUTH-AL [2], [6]	N	$0	$0	$0	$0
Alltel Communications, Inc. (VA) [1]	VA	195040	Verizon-Virginia, Inc.	N	$0	$0	$2,938,680	$11,754,720

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NPCR, Inc. d/b/a Nextel Partners (VA)	VA	195040	Verizon-Virginia, Inc. [2], [3]	N	$0		$0	$0
Sprint Corporation (VA) [1]	VA	195040	Verizon-Virginia, Inc. [2]	N	$0	$0	$0	$0
Virginia PCS Alliance and Richmond 20 MHz, LLC d/b/a NTELOS (VA) [1]	VA	195040	Verizon-Virginia, Inc. [2], [3]	N	$0	$0	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150133	Vernon Telephone Co. dba TDS Telecom	R	$64,479	$257,916	$0	$0
NPCR, Inc. d/b/a Nextel Partners (VA)	VA	190253	Virginia Telephone Co. dba TDS Telecom	R	$120,003	$480,012	$0	$0
NPCR, Inc. d/b/a Nextel Partners (NY)	NY	150135	WARWICK VALLEY-NY	R	$431,745	$1,726,980	$0	$0
NPCR, Inc. d/b/a Nextel Partners (GA)	GA	220392	Waverly Hall Tel. Co. Inc.	R	$179,723	$718,891	$0	$0
RCC Minnesota, Inc. [1]	ME	100034	West Penobscot Tel & Tel Co dba TDS Telcom [3]	R	$91,935	$367,740	$0	$0
NPCR, Inc. d/b/a Nextel Partners (PA)	PA	170277	WEST SIDE TEL CO-PA	R	$9,210	$36,841	$0	$0
Alltel Communications, Inc. (WI) [1]	WI	330971	West Wisconsin Telcom Coop Inc. [3]	R	$320,818	$1,283,273	$0	$0
Minnesota Public Utilities Commission [1]	MN	361507	Winsted Tel. Co. dba TDS Telecom [3]	R	$49,563	$198,252	$0	$0
Alltel Communications, Inc. (MI) [1]	MI	310738	Wolverine Tel. Co. [3]	R	$201,254	$805,017	$0	$0
Alltel Communications, Inc. (NC) [1]	NC	230511	Yadkin Valley Tel. Membership Corp.	R	$528,222	$2,112,888	$0	$0
	TOTAL (Rural/Non-Rural Areas)				**$91,520,987**	**$366,083,950**	**$27,891,003**	**$111,564,012**
	TOTAL (All Areas)							**$477,647,962**

Consolidated Notes:

Unless otherwise noted, all data was obtained from Federal Universal Service Support Mechanisms Fund Size Projections for the First Quarter of 2004, Appendix HC1 (Universal Service Administrative Company).

[1] The petitioner does not list specific SAC identification numbers, but does list company names. The Study Area Names listed herein are therefore based upon company name correlation. Where the Study Area Name and company name contained in the petition differed in any significant respect, the company name included in the petition is referenced in parenthesis.

[2] Value is indicated as zero to avoid double-counting areas in which more than one carrier has applied for ETC status.

[3] ETC status is sought as to specific wire centers (or portions of Study Areas) only. For purposes of calculating the total high-cost amounts, the value for the entire Study Area was used. This is consistent with the approach taken by the Commission in the Virginia Cellular Order. See FCC 03-338, para. 31 n.96.

[4] The company name listed in the petition does not correlate with any Study Area Name of the relevant type (rural or non-rural) for the relevant state that is contained in any available Fund Size Projection.

[5] Data was obtained from Federal Universal Service Support Mechanisms Fund Size Projections for the First Quarter of 2003, Appendix HC 1 (Universal Service

See Consolidated Notes at end of Table.

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Administrative Company) because these Study Areas are not included in more recent documents.								
[6] Data was obtained from Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter of 2002, Appendix HC 1 (Universal Service Administrative Company) because these Study Areas are not included in more recent documents.								
Note also that Alltel Communications, Inc. has sought ETC status in both rural and non-rural areas in Alabama, Virginia, Georgia, North Carolina, and Florida. Alltel previously bifurcated its pending ETC petitions into separate requests for ETC designation in non-rural and rural service areas. Alltel's requests for ETC status in rural and non-rural areas are the subject of different public notices. *See Public Notice*, DA 04-998 (rel. Apr. 12, 2004) (non-rural areas)*; Public Notice*, DA 04-999 (rel. Apr. 12, 2004) (rural areas).								
In addition, both Cellular South Licenses, Inc. and RCC Holdings, Inc. filed supplements on May 14, 2004 even though their petitions for ETC designation had been granted prior to the issuance of the Virginia Cellular Order and the Highland Cellular Order and were therefore not listed in the FCC's public notice. Study Areas relevant to the Cellular South and RCC Holdings petitions are not listed on this Table.								

See Consolidated Notes at end of Table.

ATTACHMENT C

HIGH COST FUND AMOUNTS INVOLVED IN VIRGINIA CELLULAR ORDER AND HIGHLAND CELLULAR ORDER

Carrier	State	SAC	Study Area Name	Rural/Non-Rural	Total High Cost Quarterly Amount (Rural)	Total High Cost Annual Amount (Rural)	Total High Cost Quarterly Amount (Non-Rural)	Total High Cost Annual Amount (Non Rural)
Virginia Cellular, LLC [1]	VA	190233	VERIZON SOUTH INC - VA (CONTEL) ("Bell Atlantic (Verizon), GTE South, Inc. (Verizon)") [2], [3]	N	$0	$0	$0	$0
Virginia Cellular, LLC [1]	VA	195040	Verizon-Virginia, Inc. ("Bell Atlantic (Verizon), GTE South, Inc. (Verizon)") [2], [3]	N	$0	$0	$0	$0
Virginia Cellular, LLC [1]	VA	190239	New Hope Switchboard Association ("New Hope Telephone Company") [2]	R	$0	$0	$0	$0
Virginia Cellular, LLC [1]	VA	190236	North River Tel. Coop. [2]	R	$0	$0	$0	$0
Virginia Cellular, LLC [1]	VA	190237	Highland Tel. Coop.	R	$89,800	$359,200	$0	$0
Virginia Cellular, LLC [1]	VA	190250	Shenandoah Telephone Company [2], [3]	R	$0	$0	$0	$0
Virginia Cellular, LLC [1]	VA	190238	Mountain Grove-Williamsville Telephone Co. ("MGW Telephone Company") [3]	R	$127,188	$508,752	$0	$0
Highland Cellular, Inc. [1]	VA	195040	Verizon-Virginia, Inc. [2], [3]	N	$0	$0	$0	$0
Highland Cellular, Inc. [1]	VA	190220	Burke's Garden Tel. Co. Inc. [2]	R	$0	$0	$0	$0
Highland Cellular, Inc. [1]	VA	190567	SPRINT / UNITED SOUTHEAST-VA ("United Telephone Company -- Southeast Virginia") [2], [3]	R	$0	$0	$0	$0
	TOTAL (Rural/Non-Rural Areas)				**$216,988**	**$867,952**	**$0**	**$0**
	TOTAL (All Areas)							**$867,952**

Consolidated Notes:

All data was obtained from Federal Universal Service Support Mechanisms Fund Size Projections for the First Quarter of 2004, Appendix HC1 (Universal Service Administrative Company).

[1] The Commission did not list specific SAC identification numbers, but did list company names. The Study Area Names listed herein are therefore based upon company name correlation. Where the Study Area Name and company name contained in the order differ significantly, the company name included in the order is referenced in parenthesis.

[2] Value is indicated as zero to avoid double-counting areas in which more than one carrier has obtained or applied for ETC status. Amounts are listed on Attachment A.

[3] ETC status was sought as to specific wire centers (or portions of Study Areas) only. For purposes of calculating the total high-cost amounts, the value for the entire Study Area was used. This is consistent with the approach taken by the Commission in the *Virginia Cellular Order*. *See* FCC 03-338, para. 31 n.96.