ORDER NO. 04 356

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

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UM 1084

In the Matter of	)	
	)	
UNITED STATES CELLULAR CORPORATION	)	ORDER
	)	
Application for Designation as an Eligible Telecommunications Carrier, Pursuant to the Telecommunications Act of 1996.	)	

DISPOSITION: APPLICATION FOR CERTIFICATION GRANTED; STUDY AREA REDEFINED

On May 9, 2003, United States Cellular Corporation (USCC) filed this application for designation as an eligible telecommunications carrier (ETC) authorized to receive money from the Universal Service Fund. Staff participated in the docket and ultimately recommended granting the application, with the requirement that USCC file specific reports on its collection and expenditure of universal service funds in its annual recertification process. The Oregon Telecommunications Association (OTA) and others intervened and actively opposed the application for designation in the rural areas because it felt that the application was not in the public interest. We find that the application is in the public interest, and grant the application with the conditions suggested by Staff.

PROCEDURAL BACKGROUND

On May 9, 2003, USCC filed its application. A standard protective order went into effect on August 20, 2003. *See* Order No. 03-500. Verizon Northwest, Inc. (Verizon), OTA, Midvale Telephone Exchange (Midvale), and Malheur Home Telephone Company (Malheur Home) filed petitions to intervene, which were granted on September 4, 2003. Verizon did not actively participate in the docket and filed one brief, which is addressed in this order. Midvale and Malheur Home submitted testimony and participated in the hearing but did not submit legal briefs.

The parties stipulated to Commission jurisdiction over the matter and filed opening testimony on October 23, 2003. A second round of testimony was filed on December 22, 2003. A hearing was held on February 19, 2004. The parties filed briefs in April.

The Federal Communications Commission (FCC) released its decision in *Highland Cellular* on April 12, 2004, which prompted the parties to recommend altering the briefing schedule for additional analysis. *In the Matter of Federal-State Joint Board on Universal Service; Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, FCC 04-37, 19 FCC Rcd 6422 (released April 12, 2004). Subsequent briefs were filed by Staff on April 28, 2004; OTA on May 5, 2004; and USCC on May 10, 2004. All parties filed their last round of briefs on June 4, 2004, including USCC's amendment to its application, and USCC filed a revised map on June 4, 2004.

The Commission held oral arguments on June 10, 2004. USCC moved that the transcript from the oral argument in *In the Matter of RCC Minnesota, Inc., Application for Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996*, UM 1083, be admitted into the record of this proceeding. That motion was granted.

VERIZON'S MOTION

At the outset, we acknowledge Verizon's brief in this docket. Verizon participated in neither testimony nor the hearing, and it filed one brief. In its brief, Verizon suggested that the Commission defer any action on the ETC applications until the FCC has acted on recommendations of the Federal-State Joint Board on Universal Service. The recommendations of the Joint Board were issued on February 27, 2004. *See In the Matter of Federal-State Joint Board on Universal Service*, FCC 04J-1, 19 FCC Rcd 4257 (released Feb 27, 2004). USCC argued that ETC designations should not be delayed while the FCC goes through what could be a long process in making a final determination on the recommendations of the Joint Board. In addition, we note that the FCC itself, standing in the shoes of another state commission has proceeded with ETC designations. *See Highland Cellular* (released April 28, 2004). For these reasons, we decline Verizon's suggestion to defer action on an ETC application until the FCC has taken final action on the recommendations of the Federal-State Joint Board.

APPLICABLE LAW

The federal Telecommunications Act of 1996 (Act) sets out the parameters for designation of ETCs but grants wide latitude to the state public utility commission to develop its own standard of public interest. To evaluate this application, we first examine the framework under federal law, and then we address each requirement in turn.

Federal Framework

Section 254 of the Act governs the Universal Service Fund (USF). The statute states that universal service policies should promote quality services at just, reasonable, and

affordable rates; access to advanced telecommunications and information services; access to services in rural areas comparable to services in urban areas; and other policies as are developed over time. 47 USC § 254(b). The statute also states, "Universal service is an evolving level of telecommunications services." 47 USC § 254(c)(1). Telecommunications carriers that have been designated ETCs under section 214(e) "shall be eligible to receive specific Federal universal service support. A carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." 47 USC § 254(e).

An ETC only receives USF support for customers that it serves in areas where USF support is distributed. 47 CFR § 54.307(a). The ETC can offer services, either using its own facilities or through a combination of its own facilities and resale of another carrier's services. 47 USC § 214(e)(1). An ETC does not receive support if it serves a customer through resale of another carrier's facilities, but only if it serves the customer using its own facilities. 47 CFR § 54.307(a)(3). The amount of support provided to the ETC for a customer line mirrors the amount provided to the incumbent local exchange carrier (ILEC) for that customer line. 47 CFR § 54.307(a)(4).

The basic test for whether an applicant should be designated as an ETC is (1) whether it offers the services supported by federal universal service support mechanisms, and (2) whether it advertises those services. 47 USC § 214(e)(1). The Act then requires two different standards for granting ETC designation depending on what type of ILEC serves the area in which ETC status is sought. Where a non-rural ILEC serves the area, the state commission shall designate more than one ETC "[u]pon request and consistent with the public interest, convenience, and necessity." 47 USC § 214(e)(2). Where a rural ILEC serves the area, the state commission may choose to designate more than one ETC only after a specific finding "that the designation is in the public interest." *Id.*

The map at Appendix A indicates the entire service area for which USCC is seeking ETC designation. The chart at Appendix B indicates which wire centers it seeks to serve, according to ILEC. USCC proposes to serve at least part of the service areas served by the following ILECs: Qwest Corporation (Qwest), Verizon, Cascade Telephone Company (Cascade), CenturyTel of Oregon, Inc., and CenturyTel of Eastern Oregon, Inc. (collectively, CenturyTel), Citizens Telecommunications Company of Oregon (Citizens), Helix Telephone Company (Helix Tel), Home Telephone Company (Home Tel), Malheur Home, North-State Telephone Company (North-State), Oregon Telephone Corp. (Oregon Tel), and Sprint/United Telephone Company of the Northwest (Sprint).

To evaluate USCC's application, we will address each requirement – provision of the services supported by the universal service fund, advertisement of those services, and, for rural carriers, the finding of public interest – in turn.

I. USF Supported Services

The services supported by federal universal service support mechanisms are listed in federal regulations:

1. voice grade access to the public switched network;
2. local usage;
3. dual tone multi-frequency signaling, or its functional equivalent;
4. single-party service, or its functional equivalent;
5. access to emergency services;
6. access to operator services;
7. access to interexchange service;
8. access to directory assistance; and
9. toll limitation for qualifying low-income customers.

47 CFR § 54.101(a). The rule provides further definitions of each service. USCC asserted in its application, and no party has disputed, its ability to provide the nine supported services. *See* Application of US Cellular Corp. for Designation as an Eligible Telecommunications Carrier, USCC/1 at 3-6 (Application).

The only matter of contention regards the quantity of local usage minutes provided by USCC's rate plans. The rule defines local usage as "an amount of minutes of use of exchange service, prescribed by the Commission, provided free of charge to end users." 47 CFR § 54.101(a)(2). The FCC has declined to require a certain number of minimum minutes, and we are only aware of state commissions that have also refused to impose a minimum number of minutes. *In re Federal-State Joint Board on Universal Service, Virginia Cellular, LLC, Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, FCC 03-338, 19 FCC Rcd 1563, ¶ 22 (released Jan 22, 2004) (*Virginia Cellular*); *Smith Bagley*, Dec No 66566, ¶ 38 (AZ Corp Commn, Nov 18, 2003) (*Smith Bagley III*). OTA argues that this Commission should require that USCC offer an unlimited number of local minutes, if not as part of the local usage requirement, then under the public interest finding.[1]

USCC has not submitted its current local usage plans. However, USCC has committed to complying with any local usage requirements as may be established by the FCC in the future. *See* Application at 4-5. This commitment has satisfied other jurisdictions, *Highland Cellular* at ¶ 15; *Virginia Cellular* at ¶ 14; and we also find it satisfactory.

[1] OTA asserts that the Minnesota Commission has imposed this requirement. A reading of the Minnesota Commission's order reveals that the ETC applicants offered plans with unlimited usage, and the Minnesota Commission endorsed those plans. *In the Matter of Minnesota Cellular Corporation's Petition for Designation as an Eligible Telecommunications Carrier*, Docket No. P-5695/M-98-1285 at 22 (Oct 27, 1999) ("The Commission accepts Minnesota Cellular at its word -- and intends to hold it to its word -- that it will offer at least one universal service package with unlimited local usage priced within 10% of the incumbents' standard rates.") USCC makes no such offer in this case, so we evaluate the local usage requirement according to the law.

As to provision of access to emergency services, USCC's testimony stated that its network is fully compliant with all federal requirements for 911 service. USCC also stated that it is currently in compliance with FCC regulations and deadlines in terms of deploying Phase I and Phase II E911 service, and that it will continue to remain in compliance. OTA stated that it believes that USCC is making sufficient progress in upgrading its network and does not argue that additional requirements should be added to this part of the application.

II. Advertisement of Services

USCC committed to advertise the availability of each of the supported services throughout its licensed service area. Possible methods of advertisement include newspaper, magazine, direct mailings, public exhibit and displays, bill inserts, and telephone directory advertising. OTA recommends that this Commission require USCC to file an advertisement plan. USCC also states that it will offer Lifeline and Linkup assistance, but does not specify how it will advertise those services. USCC Brief at 5-6 (April 8, 2004); USCC/8, Marino/5. Because USCC has committed to advertising the services, we find that it satisfies this requirement of an ETC applicant. But because its plans are not specific, we require USCC to utilize the advertising plan proposed by RCC Minnesota, Inc., and adopted by this Commission in the final order in docket UM 1083. We find that USCC's commitment to advertise the supported services meets the statutory requirement under federal law for certification and will require an advertising plan to be submitted at the annual recertification process.

III. Type of Incumbent ILEC

A. Areas served by non-rural ILECs

As discussed above, the Commission shall designate a second ETC where it offers and advertises the nine supported services listed in 47 CFR § 54.101(a) in an area covered by a non-rural ILEC, if it is "consistent with the public interest, convenience, and necessity." 47 USC § 214(e)(2). The FCC has stated, "[F]or those areas served by non-rural telephone companies, the designation of an additional ETC based upon a demonstration that the requesting carrier complies with the statutory eligibility obligations of section 214(e)(1) is consistent *per se* with the public interest." *In the Matter of Pine Belt Cellular, Inc. and Pine Belt PCS, Inc., Petition for Designation as an Eligible Telecommunications Carrier*, DA 02-1252, 17 FCC Rcd 9589 ¶ 13 (released May 24, 2002) (*Pine Belt Order*).

The Act defines a "rural telephone company" as a

> local exchange carrier operating entity to the extent that such entity—
>
> (A) provides common carrier service to any local exchange carrier study area that does not include either--
>
> (i) any incorporated place of 10,000 inhabitants or more,

> or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
>
> (ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;
>
> (B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
>
> (C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
>
> (D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the Telecommunications Act of 1996.

47 USC § 153(37). Qwest and Verizon are considered non-rural ILECs under the Act. *See In the Matter of the Investigation Into Expansion of the Oregon Universal Service Fund to Include the Service Areas of Rural Telecommunications Carriers*, UM 1017, Order No. 03-595, 3 (Oct 2, 2003) (referring to Qwest and Verizon as Oregon's two non-rural LECs). Despite being defined as non-rural ILECs, Qwest and Verizon serve many rural areas in Oregon. Neither Qwest nor Verizon opposed this application.

USCC has shown that it provides the nine supported services and has pledged to advertise them throughout the area. Because compliance with those requirements is "consistent *per se* with the public interest," *Pine Belt Order* at ¶ 13, USCC's application as to the wire centers served by Qwest and Verizon should be granted.

B. Areas served by rural ILECs

For areas served by rural ILECs, federal law requires that the Commission must also find that "the designation is in the public interest." 47 USC § 214(e)(2). Federal law neither defines "public interest" nor provides additional guidance, except through FCC decisions on individual ETC designations.[2] We may also impose additional requirements, either now, or in subsequent annual recertification proceedings. *See Tex. Off. of Pub. Util. Counsel v. FCC*, 183 F3d 393, 418 (5th Cir 1999), *cert granted sub nom, GTE Serv. Corp. v. FCC*, 530 US 1213 (2000), *cert dismissed,* 531 US 975 (2001) (*TOPUC v. FCC*).

The parties in this proceeding propose numerous criteria for consideration in making a public interest finding. Before addressing the party's respective proposals, however, we begin by noting the purpose of the federal Universal Service Fund. Federal statute states that universal service policies should promote:

1) quality service at just, reasonable, and affordable rates;

[2] The FCC has not weighed in on many aspects of ETC designation, except for where it has stood in the shoes of another state commission. Those FCC decisions are not binding on this Commission, as has been strenuously argued by USCC, but the decisions are instructive to our analysis.

2) access to advanced telecommunications and information services;
3) access to services in rural areas comparable to services in urban areas; and
4) other policies as are developed over time.

47 USC § 254(b). We consider these policies in gauging whether USCC's application is in the public interest. As to the first factor, USCC has incentives to provide high quality service at reasonable rates, in order to win customers and receive USF support to serve those customers. As to the third factor, wireless service is ubiquitous in urban areas, and providing wireless service in the ETC designation area brings service in rural areas closer to service provided in urban areas.

As to the second factor, access to advanced services, we particularly appreciate USCC's commitment to upgrade its facilities to "deliver high-speed data throughout our network." USCC/9, Newman/4. We understand that Internet access is not a supported service. But because the designation area is quite rural and still developing access to the Internet, we count this commitment by USCC as one reason why granting its application is in the public interest. Accordingly, we ask USCC to report on its progress and plans for the future in providing such service in its designated area during the annual recertification process.

The parties suggest additional factors to be considered in the public interest analysis, some of which overlap. We will address each factor in turn.

Do competitive ETC designations lead to increased competitive choice? USCC recommends that we consider this factor, drawn from *Virginia Cellular* at ¶ 28. USCC contends that designating an additional ETC provides an obvious increase in competitive choice. OTA rejects competition as a benefit and states that the positive elements associated with competition will not necessarily be present if this application is granted.

Other jurisdictions facing this question have found competitive benefits in designating a wireless ETC in a rural area:

> We do not believe that it is self-evident that rural telephone companies cannot survive competition from wireless providers. Specifically, we find no merit to the contention that designation of an additional ETC in areas served by rural telephone companies will necessarily create incentives to reduce investment in infrastructure, raise rates, or reduce service quality to consumers in rural areas. To the contrary, we believe that competition may provide incentives to the incumbent to implement new operating efficiencies, lower prices, and offer better service to its customers.

In the Matter of Federal-State Joint Board on Universal Service; Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier In the State of Wyoming, DA 00-2896, 16 FCC Rcd 48, 57, ¶ 22 (released Dec 26, 2000) (*Wyoming Order*). We are not convinced that rural ILEC investments in infrastructure will diminish if a competitive ETC (CETC) is designated. There is only speculation that if a CETC is designated, and if customers drop their wireline service, then the rural ILEC will lose USF support. That reasoning is too hypothetical to be persuasive at this point, especially given the difference between USCC's wireless offerings and the rural ILECs' wireline offerings. This issue may be raised later, however, if substantial evidence shows that there is an impact.

What are the unique advantages and disadvantages of the competitor's service offering? USCC offers wireless services, which has more applications than wireline service offered by rural ILECs. As the FCC stated, wireless service also offers a distinct benefit in rural areas:

> [T]he mobility of telecommunications assists consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other critical community locations. In addition, the availability of a wireless universal service offering provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities.

Highland Cellular at ¶ 23. OTA argues that poor service quality in wireless communications is a strong disadvantage. Staff approaches the issue from the perspective of whether CETCs will provide benefits to rural consumers that are not available from the ILECs. Staff concluded that USCC's commitment to add cell sites and expand capacity and quality of service at existing cell sites would provide real benefits to consumers. In addition, the nature of USCC's local calling area means that calls that would be toll calls over a wireline service are merely local calls over wireless. We agree that the "unique advantages" of wireless telephones, which allow mobile communications beneficial to safety, health, and commerce, weigh in favor of the application.

Have any commitments been made regarding quality of telephone service? Rural ILECs are required to provide a certain basic level of service quality and quantity to customers, and OTA raises the concern that USCC will be eligible for USF support without providing a similar level of service. We are constrained by state statute from regulating the service quality of wireless carriers,[3] which also hamstrings this Commission's ability to resolve disputes without any yardstick to measure quality standards against. However, we share OTA's concern that adequate service is provided to customers. On one level, we agree that if service quality is inadequate, customers will drop the service, and USCC will lose support for those customers, giving USCC an incentive to provide quality service. However,

[3] While certain conditions may be imposed as part of our public interest finding, *see TOPUC v. FCC*, Oregon law does not permit service quality conditions to be imposed on wireless carriers at this time. ORS 759.450(8).

we also believe that the annual reporting requirements should be supplemented with details as to how many complaints were received as to service quality, by wire center, and how they were resolved.

OTA also notes that USCC has not provided any contracts for resale for service in areas in which USCC seeks ETC designation but are outside of its CGSA.[4] USCC stated in its briefs that at its annual recertification, it would supply an affidavit as to the existence of those contracts, and if pressed, provide for *in camera* review of those contracts. However, USCC asserts that those contracts should be protected from disclosure because of their commercial sensitivity. USCC raises a good point: Contracts that reveal trade secrets have historically been protected from disclosure to competitors in the past. *See In re PacifiCorp*, UE 116, Order No. 01-219 at 2-3 (providing heightened protection for commercially sensitive contracts). In this instance, USCC has not yet been designated an ETC, and we do not yet know if it has received requests for service outside its CGSA. Therefore, demand for resale contracts are premature at this point. Staff recommended a reporting requirement to address this issue, which will take effect once USCC is designated as an ETC. USCC's proposal to submit an affidavit regarding resale contracts is acceptable. If we later encounter difficulties with customers unable to receive service outside USCC's CGSA boundaries, tougher requirements may be imposed at that time.

What is the competitive ETC's ability to satisfy its obligation to serve the designated service areas within a reasonable time frame? USCC has provided build out plans for sites in which it is committed to building new cell towers, as well as areas where it will build new towers in the future as USF support becomes available. The immediate locations are in Pilot Rock, southeast Bend, Bend, Steamboat Rock, Hauser, Grants Pass, and the Cove Union area. The extended plans call for sites in Government Hill, Athena-Weston, Roseburg, Eagle Point, Powell Butte, South Siskiyou, Good Noe, Athena, Warm Springs, and Kah-Nee-Ta. *See* OTA/40. USCC has also agreed to Staff's proposed conditions to provide reports at the annual recertification process. The reports will detail how much federal USF support was received in the last year and how it was spent, and how much federal USF support is projected to be received in the next year and how it will be spent.

OTA argues that USCC has not provided enough in the way of specific plans to show how it will serve the area within a reasonable time frame. USCC replies that it does not have to serve the entire area – even rural ILECs do not have to serve every customer. USCC only has to serve customers who request service.

Staff is also concerned that a CETC demonstrate the commitment and ability to provide service to customers, should an incumbent local exchange carrier seek to relinquish its ETC designation. Staff notes that USCC is capable of serving as the carrier of last resort in the area in which it seeks ETC designation. Federal statute outlines the process by which an ETC can withdraw from an area. 47 USC § 214(e)(4). If an ETC were to withdraw, the other ETC would be given time to make arrangements to serve the customers

[4] CGSA stands for Cellular Geographic Service Area. 47 CFR § 22.911.

in the designated area. Staff asserts that USCC would be able to fulfill these obligations, should it become necessary.

USCC has set out a six-point checklist as to how it will answer every customer request: (1) determine whether the customer's equipment can be modified or replaced to provide acceptable service; (2) determine whether a roof-mounted antenna or other network equipment can be deployed at the premises to provide service; (3) determine whether adjustments at the nearest cell site can be made to provide service; (4) determine whether there are any other adjustments to network or customer facilities that can be made to provide service; (5) explore the possibility of offering resold service; and (6) determine whether an additional cell site, a cell-extender, or repeater can be employed, or can be constructed to provide service. USCC/9, Newman/6. If none of those methods works, USCC will notify the customer and provide the Commission with an annual report of how many requests for service it could not fill. USCC's witness also testified, "The Commission will retain authority to resolve any customer complaints that US Cellular has refused to respond to a reasonable request for service." USCC/9, Newman/6.

Other jurisdictions have counted this commitment by USCC as part of the public interest test; *see 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, at 8-9, 2003 Alas PUC Lexis 377 (Reg Commn of AK, Aug 28, 2003); and we also add it to the weight of evidence that USCC's designation as an ETC is in the public interest.

What is the impact of the designation on the Universal Service Fund? We acknowledge OTA's concern that designation of additional ETCs creates a burden on the federal Universal Service Fund, but decline to take that factor into consideration. Even the FCC, standing in the shoes of the Virginia State Corporation Commission, did not give much weight to that factor. Instead, it noted that it had a pending rulemaking proceeding on the matter and declined to give any interim guidance. *Virginia Cellular* at ¶ 31. Accordingly, we will address this factor after the FCC has made a final decision, likely at the annual recertification process.

Does the designation of a competitive ETC raise "rural cream-skimming" issues? The FCC has addressed cream-skimming in its ETC designation orders:

> Rural creamskimming occurs when competitors seek to serve only the low-cost, high revenue customers in a rural telephone company's study area. * * * Creamskimming 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.

In the Matter of Federal State Joint Board on Universal Service; RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service

Area In the State of Alabama, DA 02-3181, 17 FCC Rcd 23532, 23543 ¶ 27 & 27 n 96 (released Nov 27, 2002) (*RCC Holdings*). We note that rural cream-skimming is an issue only when the CETC will cover part of the rural ILEC's study area, *see Highland Cellular* at ¶ 26, in this case, Cascade, CenturyTel, Oregon Tel, and Sprint. *See* Appendix B.

Initially, OTA expressed concern about wire centers partially covered by USCC's application, a practice discouraged by the FCC in *Highland Cellular*. After preliminary briefing on that issue, USCC amended its application to withdraw from some wire centers only partially covered by its CGSA, and committed to cover the remainder of the others through resale agreements. *See* USCC Brief at 3 (May 24, 2004). In light of these circumstances, OTA again alerts us that USCC could be cream-skimming by only serving some wire centers within a study area, which was also discussed by the FCC in *Virginia Cellular* and *Highland Cellular*. USCC argues that an examination of the cost of serving each wire center, or, if that information is not available, an examination of the density of each wire center,[5] will show that it is not serving only the least cost wire centers. This analysis only applies to Cascade, CenturyTel, Oregon Tel, and Sprint for purposes of this docket. Because Sprint has not opposed USCC's application, we apply the cream-skimming analysis to Cascade, CenturyTel, and Oregon Tel's study area. *See* Appendix C.

First, the Cascade study area includes 10 exchanges. USCC does not propose to serve Corbett, Estacada, Mt. Hood, Eagle Creek, and Ripplebrook, which are just to the east of Portland and have an average of 13.23 households per square mile. In fact, three of those five exchanges have an average of 32 to 107 households per square mile. USCC does propose to serve Ash Valley, Elkton, Haines, Medical Springs, and Scottsburg, which are scattered throughout the state and have an average of 4.67 households per square mile. No exchange that USCC proposes to serve in Cascade's study area has more than 6.5 households per square mile. Based on this data, we find that USCC's application does not cream-skim low-cost wire centers in Cascade's study area.

CenturyTel serves exchanges from the Portland area, to the coast, to rural Eastern Oregon. The average cost per line in the area *not* to be served by USCC is $45.38; the average cost per line in the area to be served by USCC is $68.60. The average cost per line for CenturyTel is $54.37. We recognize that it is possible that a CGSA boundary could naturally cream-skim the lowest cost wire centers. Again, this does not prove true in this instance. While USCC's CGSA does not include some of the highest cost wire centers, such as Mitchell, Spray, Monument, Harney, and others, the CGSA boundary also does not cover the lowest cost wire centers, such as Aurora/ Charbonneau, Scappoose, Creswell, and Lebanon, among others. Viewed altogether, USCC's application passes the cream-skimming analysis for CenturyTel.

Finally, the Oregon Tel study area poses a closer question. USCC proposes to serve the two most densely populated, and one of the least densely populated, wire centers.

[5] "Although there are other factors that define high-cost areas, a lower population density indicates a higher cost area." *Highland Cellular*, at ¶ 28.

But even here, Oregon Tel has five wire centers, which range from 0.3 to 3 households per square mile. The average is 1.2 households per square mile; USCC proposes to serve an area with 1.3 households per square mile. We find that this does not amount to cream-skimming.

However, we also note that Oregon Tel has not disaggregated their support, and there is a possibility that USCC could receive more per line in a wire center with 2 or 3 households per square mile, than it would otherwise be entitled to under a formula that takes into account a wire center with 0.3 households per square mile. Because there is not a wide range between the population densities, we are unsure as to how wide the range in USF line support would be. While we have not yet taken a position on disaggregation among rural ILECs, this appears to be the kind of situation in which disaggregation would be appropriate to more accurately target support should Oregon Tel choose to initiate such an action.

Must USF support be spent in the area for which it was allocated? OTA recommends that we examine whether USCC will spend rural USF dollars in rural areas. There is no requirement that funds given for a particular customer must be reinvested in that particular customer's service area. We agree with OTA that USCC should not be permitted to build up its urban network under the guise of aiding rural customers, but we disagree with OTA's characterization of USCC's plan. OTA seeks to characterize any wire center covered by Qwest or Verizon as "non-rural," because those carriers are considered non-rural carriers under the Act. However, USCC's CGSA covers an area that is largely rural, and its plans for bolstering its facilities also cover areas that are quite rural, even if those areas are served by Qwest or Verizon. In the near term, USCC has committed to building cell sites in Pilot Rock, southeast Bend, Bend, Steamboat Rock, Hauser, Grants Pass, the Cove Union area, Government Hill, Athena-Weston, Roseburg, Eagle Point, Powell Butte, South Siskiyou, Good Noe, Athena, Warm Springs, and Kah-Nee-Ta. *See* OTA/40.

Further, we note that USCC will only receive support funds for each customer it serves with its own facilities; USCC receives no funds for customers it serves through resale. If USCC wants to receive high cost support for customers served by rural ILECs, it will have to build up its network to serve those customers. In addition, USCC has a six-step plan in place to serve every customer that requests service or to report to this Commission why service to that customer is not reasonable. USCC/9, Newman/6. We believe that the structure of the federal USF program provides incentives for USCC to build its facilities to serve customers in rural Oregon, regardless of which ILEC currently serves that area.

Will CETC designation harm the rural ILEC and, in turn, its customers? OTA argues that some areas are so rural that it is improper to designate multiple ETCs for that area. Two arguments are built into that assertion: (1) designation of multiple ETCs will impose an unreasonable burden on the federal Universal Service Fund; and (2) designation of a competitive ETC will harm the rural ILEC and, ultimately, customers. The first argument has already been addressed above. We turn to the second argument.

OTA asserts that competition for its own sake is not always good. We agree with that assessment, but there are many benefits that will come with competition in rural

areas, such as "incentives to the incumbent to implement new operating efficiencies, lower prices, and offer better service to its customers." *Wyoming Order*, 16 FCC Rcd at 57 ¶ 22. We also disagree that this designation necessarily will harm rural ILECs and customers. That argument has been considered and rejected by multiple jurisdictions, including the FCC standing in for the South Dakota Public Utilities Commission:

> [T]he federal universal service support mechanisms support all lines served by ETCs in high-cost areas. Therefore, to the extent that [the competitive ETC] provides new lines to currently unserved consumers or second lines to existing wireline subscribers, it will have no impact on the amount of universal service support available to the incumbent rural telephone company for those lines that it continues to serve.

In the Matter of Federal-State Joint Board on Universal Service; Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier for the Pine Ridge Reservation in South Dakota, FCC 01-283, 16 FCC Rcd 18133, 18139 ¶ 15 (released Oct 5, 2001). USCC will provide wireless communications in these areas, a different service than traditional wireline local exchange service. No competitive ETCs have yet been designated in Oregon. Again, we note that USCC will not receive any funds for serving a rural area unless it serves customers that live in that rural area. Accordingly, we reject OTA's arguments that CETCs should not be designated for rural Oregon.

Do the benefits outweigh the costs of ETC designation? Ultimately, each of the factors discussed above are calculated in a cost-benefit analysis. OTA cites the cost-benefit analysis used in *Virginia Cellular* at ¶ 4, which weighs competitive choice, impact of designation on the USF, the advantages and disadvantages of the service offering, quality of service commitments, and the applicant's ability to provide the supported services throughout the designated service area within a reasonable amount of time. As we have discussed, USCC's application would bring competition, spurring innovation; provide advantages through increased mobile wireless offerings; and offer the supported services to customers who request service in the designated area. We acknowledge the costs of the application – a growing burden on the USF and no service quality guarantees – but believe that to the extent that those factors are an issue, they are more than outweighed by the benefits of granting the application. Therefore, we find that USCC's application for designation as an ETC in its designated area is in the public interest.

In addition to the above public interest test, Staff also recommends that USCC be required to file extensive reports as part of the annual recertification process. Specifically, Staff recommends that on or before July 15 of each year beginning in 2005, USCC report on the following items:

1. Line counts for federal USF supported services, itemized by rural ILEC wire center, as of December 31 of the preceding year.

2. The amount of federal USF support USCC received for operations in Oregon during the period January 1 through December 31 of the preceding year.
3. A description of how the federal USF support was used in the previous year. For expenses such as maintenance and provisioning, the information should be segregated by major expense category. For investments, this information should be segregated by asset type and the rural ILEC wire center where the investment was made.
4. An estimate of the federal USF support to be received during the current year and a detailed budget of how such support is expected to be used, as described in (3).
5. Documentation establishing USCC advertised the supported services throughout the entire designated area.
6. As to requests for service coming from areas within USCC's designated area, but outside its CGSA, a report listing the number of requests and, for requests where service was not provided, the reason(s) service was not provided.

We concur with Staff's recommendation to ensure that USCC follows through on the commitments that we relied on in finding that the application is in the public interest.

Redefinition of Study Areas

An ETC must serve entire service areas, not partial service areas. *See* 47 USC § 214(e)(1). For a "rural telephone company, service area means such company's 'study area' unless and until the Commission and the states * * * establish a different definition of service area for such company." 47 CFR § 54.207(b). USCC argues that retaining current rural ILEC service areas imposes a barrier to competition in violation of the Act.

To resolve this situation, USCC recommends that we redefine the Cascade, CenturyTel, Oregon Tel, and Sprint service areas down to the wire center levels. As precedent, USCC cites the actions of the Washington Utilities and Transportation Commission. *Petition for Agreement with Designation of Rural Company Eligible Telecommunications Carrier Service Areas and for Approval of the Use of Disaggregation of Study Areas for the Purpose of Distributing Portable Federal Universal Service Support, Memorandum Opinion and Order*, 15 FCC Rcd 9921, 9927-28 (released Sept 9, 1999) (*Washington Redefinition Order*).[6] First, this Commission would redefine the service area, then the FCC would need to approve the new arrangement. USCC proposes that we grant their application for ETC status conditionally upon FCC approval of the new service area.

The Joint Board initially recommended retaining service area boundaries that coincide with study area boundaries, for three reasons: (1) to prevent cream-skimming; (2)

[6] In the *Washington Redefinition Order*, the FCC approved a petition by the Washington Commission and twenty rural ILECs to redefine service areas down to the wire center level and to alter the way that USF support is calculated for those companies. The FCC found "it significant that the rural LEC petitioners support the proposed service area designation, conditioned on approval of the proposal to disaggregate support." *Washington Redefinition Order* at ¶ 9. No such agreement has yet been reached here, so we decline to redefine service areas for rural LECs not involved in this docket.

because rural LECs are on a different footing than other carriers; and (3) rural LECs would bear an extra administrative burden to recalculate costs at something other than a study area level. *In the Matter of Federal-State Joint Board on Universal Service*, FCC 96J-3, 12 FCC Rcd 87, 180 ¶ 172-74 (released Nov 8, 1996). Those concerns are not present here. USCC's proposal does not cream-skim the low-cost customers in high-cost areas, as discussed above. Rural ILECs are treated differently than other carriers, but in the interest of improving competition and service in rural areas, we believe that USCC's application for designation as an ETC should be granted. And CenturyTel has already calculated its costs at the wire center level, so that consideration is not present here.[7] Cascade, Oregon Tel, and Sprint have not disaggregated their support, but that does not bar redefinition of their service areas.

Even OTA agreed that if we found that the application is in the public interest and if there is no danger of cream-skimming, then OTA did not object to redefining the service areas along wire center boundaries.[8] Accordingly, we agree with USCC that Cascade, CenturyTel, Oregon Tel, and Sprint's service areas should be redefined at the wire center level, and we will submit a petition to the FCC for final action in redefining the service areas.

CONCLUSIONS

After reviewing USCC's application, we conclude that USCC meets each of the statutory requirements to be designated an ETC: (1) it provides the nine supported services; (2) it advertises them; and (3) designation is in the public interest. Therefore, we grant USCC's application to serve as a competitive ETC in the area designated in Appendix A. This designation is conditional on FCC approval of redefinition of the Cascade, CenturyTel, Oregon Tel, and Sprint service areas. To finalize the application, we will submit a petition for FCC agreement in redefinition of the service areas.

To determine the public interest, we consider the universal service goals of the Act, and particular issues raised by the parties and by jurisdictions that have considered federal ETC designations. We recognize that the Joint Board currently has a notice of proposed rulemaking in effect, and that public interest qualifications may change again as a result. Consequently, we may consider additional factors at the annual recertification for ETCs.

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[7] USCC also suggests that USF support should be disaggregated to the wire center level so that USF support can be more accurately targeted. CenturyTel chose Path 3 disaggregation and has established its support levels into two zones. *See* 47 CFR § 54.315; *In the Matter of Applications to be Designated Eligible Telecommunications Carriers in the State of Oregon*, UM 873, Order No. 02-335 (May 13, 2002). USCC argues that CenturyTel disaggregated its service area into 55 exchanges, and then improperly reaggregated into the two zones to discourage entry by competitive ETCs. We agree with USCC that this is not the place to address disaggregation proceedings, but we reserve the right to tackle this issue another time.

[8] OTA's third requirement dealt with whether cream-skimming arose if USCC only covered part of a wire center. As USCC has amended its application to only cover whole wire centers, we do not address this issue.

In addition, we conclude that CETCs, particularly wireless carriers, should be subject to rigorous annual recertification reporting requirements. ILECs designated as ETCs currently file extensive reports with the Commission as part of their regulated incumbent status. While we do not require ETCs to file similar reports, we do require that they file the reports as recommended by Staff, and listed in the ordering clauses, by July 15 of each year that they seek recertification, beginning in 2005.

ORDER

IT IS ORDERED that:

1. USCC's amended application for designation as an ETC is granted in compliance with the terms of this order. The designation is effective in the area specified in Appendix A and the wire centers listed in Appendix B.

2. As part of the annual recertification process, USCC shall file the following reports by July 15 of each year, beginning in 2005:
    a. Line counts for federal USF supported services, itemized by rural ILEC wire center, as of December 31 of the preceding year.
    b. The amount of federal USF support USCC received for operations in Oregon during the period January 1 through December 31 of the preceding year.
    c. A description of how the federal USF support was used in the previous year. For expenses such as maintenance and provisioning, the information should be segregated by major expense category. For investments, this information should be segregated by asset type and the rural ILEC wire center where the investment was made.
    d. An estimate of the federal USF support to be received during the current year and a detailed budget of how such support is expected to be used, as described in (c).
    e. Documentation establishing USCC advertised the supported services throughout the entire designated area.
    f. As to requests for service coming from areas within USCC's designated area, but outside its CGSA, a report listing the number of requests and, for requests where service was not provided, the reason(s) service was not provided.
    g. A description of actions taken to enhance wireless Internet service throughout the ETC area in the past year and plans to enhance such service in the current year;

h. A description of how many service quality complaints were received, by wire center, and how those complaints were resolved;
i. An affidavit from a USCC official stating that either:
   i. USCC has resale agreements in place that cover the portions of wire centers that are within its ETC boundary but outside its CGSA; or
   ii. USCC has not received any requests for service in portions of wire centers that are within its ETC boundary but outside its CGSA that are not covered by resale agreements.
j. If USCC has received requests for service in portions of wire centers that are within its ETC boundary but outside its CGSA, USCC shall provide:
   i. A description of the steps taken by USCC to obtain a resale agreement with other telecommunications service providers in order to provide service to the requesting parties;
   ii. Whether each party requesting service eventually received such service via USCC acting in the capacity of a reseller; and
   iii. USCC's estimated timeframe for negotiating resale agreements in each wire center where it was unable to accommodate a request for service because USCC had no existing resale agreement in place.
k. If certification of a resale agreement is made and someone challenges the existence of an agreement, Staff will conduct an *in camera* review to confirm the accuracy of certification. USCC will be asked to provide this information with the understanding that such a review would be covered by a nondisclosure agreement or through the use of Commission subpoena and protective order to preserve the confidentiality of the resale agreement.

3. The Commission shall submit a petition for FCC agreement with redefinition of Cascade, CenturyTel, and Sprint service areas and communicate USCC's designation as an ETC by June 30, 2004.

Made, entered, and effective JUN 24 2004.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

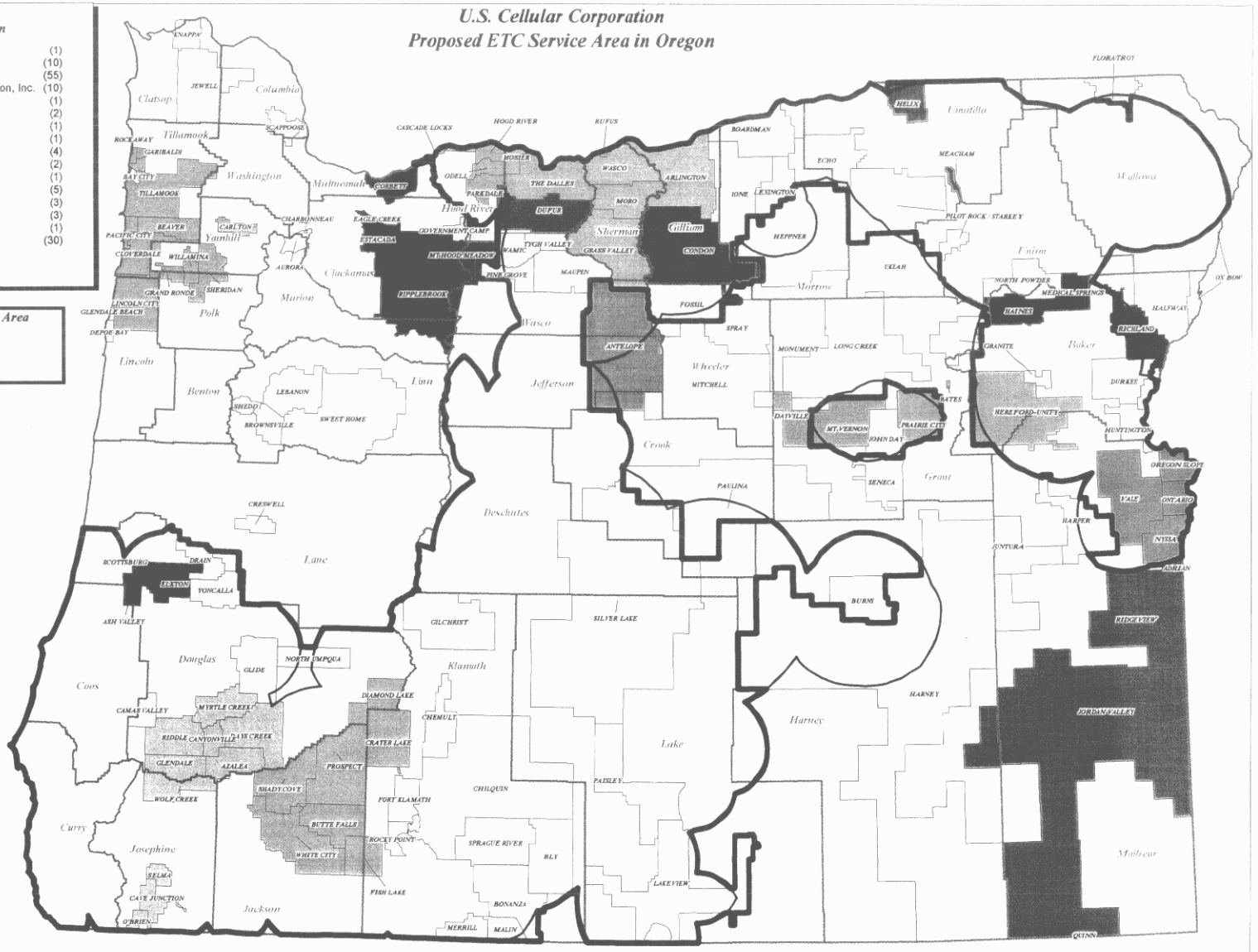
U.S. Cellular Corporation
Proposed ETC Service Area in Oregon

Wire Center Boundaries in Oregon

Asotin Telephone Company	(1)
Cascade Utilities, Inc.	(10)
CenturyTel	(55)
Citizens Telecommunications Company of Oregon, Inc.	(10)
Eagle Telephone System, Inc.	(1)
Helix Telephone Company	(2)
Home Telephone Company	(1)
Humboldt Telephone Company	(1)
Malheur Home Telephone Company	(4)
Midvale Telephone Exchange, Inc.	(2)
North-State Telephone Co.	(1)
Oregon Telephone Corporation	(5)
Oregon-Idaho Utilities, Inc.	(3)
Pine Telephone System, Inc.	(3)
Trans-Cascades Telephone Company	(1)
United Telephone Company of the Northwest	(30)

Proposed ETC Service Area
CGSA Boundary
County Boundary
Wire Center Boundary

Prepared By: LNGS Engineering 06.24.04



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APPENDIX A
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ORDER NO. 04 355

Wire centers served by non-rural carriers

ILEC carrier	Wire Center
Qwest	Ashland
Qwest	Athena
Qwest	Baker City
Qwest	Bend
Qwest	Black Butte
Qwest	Culver
Qwest	Central Point
Qwest	Gold Hill
Qwest	Grants Pass
Qwest	Hermiston
Qwest	Jacksonville
Qwest	Klamath Falls
Qwest	La Pine
Qwest	Medford
Qwest	Madras
Qwest	Milton Freewater
Qwest	Phoenix
Qwest	Pendleton
Qwest	Prineville
Qwest	Redmond
Qwest	Rogue River
Qwest	Roseburg
Qwest	Spring River
Qwest	Sisters
Qwest	Stanfield
Qwest	Sutherlin
Qwest	Umatilla
Qwest	Winston
Qwest	Warm Springs
Verizon	Brookings
Verizon	Bandon
Verizon	Cove
Verizon	Coquille
Verizon	Coos Bay
Verizon	Elgin
Verizon	Enterprise
Verizon	Gold Beach
Verizon	Imbler
Verizon	Imnaha

Verizon	Joseph
Verizon	La Grande
Verizon	Lakeside
Verizon	Langlois
Verizon	Lostin
Verizon	Myrtle Point
Verizon	North Bend
Verizon	Port Orford
Verizon	Powers
Verizon	Reedsport
Verizon	Union
Verizon	Wallowa

Wire centers served by rural carriers – entire study area to be served by USCC[1]

ILEC carrier	Wire Center	Comments[2]
Citizens	Azalea	Already serves entire wire center
Citizens	Canyonville	Already serves entire wire center
Citizens	Cave Junction	Already serves entire wire center
Citizens	Days Creek	Already serves entire wire center
Citizens	Glendale	Commits to serve entire wire center
Citizens	Myrtle Creek	Commits to serve entire wire center
Citizens	O'Brien	Already serves entire wire center
Citizens	Riddle	Already serves entire wire center
Citizens	Selma	Already serves entire wire center
Citizens	Wolf Creek	Already serves entire wire center
Helix	Helix	Commits to serve entire wire center
Helix	Meacham	Already serves entire wire center
Malheur	Nyssa	Already serves entire wire center
Malheur	Ontario	Already serves entire wire center
Malheur	Oregon Slope	Commits to serve entire wire center
Malheur	Vale	Already serves entire wire center
North-State	Dufur	Commits to serve entire wire center

[1] We differentiate between USCC's coverage of an entire study area as opposed to the partial study area of a rural ILEC, for multiple reasons. First, we apply a cream-skimming analysis to CETC coverage of a partial study area and not to coverage of an entire study area. Second, redefinition of the rural ILEC's service area, with FCC agreement, is required where a CETC has only partial study area coverage.

[2] Where USCC already serves an entire wire center, it does so with its own facilities. Where USCC commits to serve an entire wire center, it will cover part with its own facilities and the rest with resale agreements or additional facilities to be added later.

Wire centers served by rural carriers – partial study area to be served by USCC

ILEC carrier	Wire Center	Comments
Cascade	Ash Valley	Already serves entire wire center
Cascade	Elkton	Already serves entire wire center
Cascade	Haines	Commits to serve entire wire center
Cascade	Medical Springs	Already serves entire wire center
Cascade	Scottsburg	Already serves entire wire center
CenturyTel	Bly	Commits to serve entire wire center
CenturyTel	Boardman	Already serves entire wire center
CenturyTel	Bonanza	Commits to serve entire wire center
CenturyTel	Burns	Commits to serve entire wire center
CenturyTel	Camas Valley	Already serves entire wire center
CenturyTel	Chemult	Already serves entire wire center
CenturyTel	Chiloquin	Already serves entire wire center
CenturyTel	Drain	Already serves entire wire center
CenturyTel	Durkee	Commits to serve entire wire center
CenturyTel	Echo	Commits to serve entire wire center
CenturyTel	Fort Klamath	Commits to serve entire wire center
CenturyTel	Fossil	Commits to serve entire wire center
CenturyTel	Gilchrist	Already serves entire wire center
CenturyTel	Glide	Commits to serve entire wire center
CenturyTel	Huntington	Commits to serve entire wire center
CenturyTel	Ione	Already serves entire wire center
CenturyTel	John Day	Commits to serve entire wire center
CenturyTel	Lakeview	Commits to serve entire wire center
CenturyTel	Lexington	Already serves entire wire center
CenturyTel	Malin	Commits to serve entire wire center
CenturyTel	Maupin	Already serves entire wire center
CenturyTel	Merrill	Commits to serve entire wire center
CenturyTel	North Powder	Already serves entire wire center
CenturyTel	North Umpqua	Commits to serve entire wire center
CenturyTel	Paisley	Already serves entire wire center
CenturyTel	Pilot Rock	Commits to serve entire wire center
CenturyTel	Pine Grove	Commits to serve entire wire center
CenturyTel	Rocky Point	Already serves entire wire center
CenturyTel	Silver Lake	Commits to serve entire wire center
CenturyTel	Sprague River	Commits to serve entire wire center
CenturyTel	Tygh Valley	Already serves entire wire center
CenturyTel	Wamic	Commits to serve entire wire center
CenturyTel	Yoncalla	Already serves entire wire center
Oregon Tel	Hereford-Unity	Commits to serve entire wire center
Oregon Tel	Mount Vernon	Commits to serve entire wire center
Oregon Tel	Prairie City	Commits to serve entire wire center
Sprint/United	Arlington	Already serves entire wire center

Sprint/United	Butte Falls	Already serves entire wire center
Sprint/United	Cascade Locks	Already serves entire wire center
Sprint/United	Crater Lake	Commits to serve entire wire center
Sprint/United	Diamond Lake	Already serves entire wire center
Sprint/United	Fish Lake	Already serves entire wire center
Sprint/United	Grass Valley	Already serves entire wire center
Sprint/United	Hood River	Already serves entire wire center
Sprint/United	Moro	Already serves entire wire center
Sprint/United	Mosier	Already serves entire wire center
Sprint/United	Odell	Already serves entire wire center
Sprint/United	Parkdale	Already serves entire wire center
Sprint/United	Prospect	Already serves entire wire center
Sprint/United	Rufus	Already serves entire wire center
Sprint/United	Shady Cove	Already serves entire wire center
Sprint/United	The Dalles	Already serves entire wire center
Sprint/United	Wasco	Already serves entire wire center
Sprint/United	White City	Already serves entire wire center

UM 1084
Appendix C

Century Tel wire centers not covered by USCC's application

Wire Center	Density (access lines/ sq mi)	Cost (cost per mo by WC)
Aurora	142.69	$121,593.29
Charbonneau	0	$53,680.56
Brownsville	11.78	$76,607.71
Creswell	61.35	$121,223.76
Depoe Bay	49.24	$61,771.23
Gleneden Beach	167.07	$99,293.31
Government Camp	12.35	$96,275.20
Harney	0.17	$131,514.08
Heppner	1.50	$83,588.33
Jewell	2.03	$107,008.61
Knappa	17.34	$83,791.33
Lebanon	53.41	$482,450.01
Long Creek	0.33	$41,017.55
Mitchell	0.34	$45,172.11
Monument	0.82	$36,106.56
Paulina	0.20	$213,151.71
Scappoose	72.17	$17,567.52
Seneca	0.84	$28,136.87
Shedd	7.43	$38,176.99
Spray	0.99	$0
Sweet Home	7.62	$259,755.26
Ukiah	0.35	$13,250.78
TOTAL	**3.67**	**$45.38/ access line**

Century Tel wire centers covered by USCC's application

Wire Center	Density (access lines/ sq mi)	Cost (cost per mo by WC)
Bly	0.93	$29,681.45
Boardman	3.24	$83,543.77
Bonanza	5.74	$129,155.52
Burns	14.51	$140,553.48
Camas Valley	5.58	$36,237.68
Chemult	1.33	$26,706.87
Chiloquin	1.19	$139,417.44
Drain	11.45	$87,998.46
Durkee	0.52	$21,418.90
Echo	1.60	$39,738.95
Fort Klamath	1.28	$43,615.75
Fossil	1.47	$24,407.98
Gilchrist	2.50	$104,562.45
Glide	6.93	$104,936.60
Huntington	3.14	$23,901.74
Ione	0.89	$32,484.24
John Day	14.54	$90,535.72
Lakeview	3.80	$140,808.12
Lexington	1.89	$27,533.38
Malin	6.98	$40,837.34
Maupin	1.65	$24,300.38
Merrill	8.78	$43,974.95
North Powder	1.90	$48,340.41
North Umpqua	0.99	$26,966.18
Paisley	0.76	$33,598.51
Pilot Rock	1.70	$43,640.62
Pine Grove	1.33	$92,031.82
Rocky Point	4.00	$17,657.84
Silver Lake	0.31	$25,158.20
Sprague River	1.80	$133,002.59
Starkey	0.92	$86,834.19
Tygh Valley	2.78	$23,069.94
Wamic	4.71	$63,333.45
Yoncalla	6.41	$81,895.19
TOTAL	**2.37**	**$68.60/access line**

Cascade wire centers not covered by USCC's application

Wire Center	Households/ sq mi	Persons/sq mi
Corbett	4.3	31.48
Eagle Creek	Omitted	107.73
Estacada	Omitted	79.97
Mt. Hood	0	0.72
Ripplebrook	Omitted	0.43
TOTAL	**4.2**	**13.23**

Cascade wire centers covered by USCC's application

Wire Center	Households/ sq mi	Persons/sq mi
Ash Valley	1.2	1.9
Elkton	2.5	5.63
Haines	3.2	6.20
Medical Springs	0.5	1.14
Scottsburg	3.0	6.23
TOTAL	**2.2**	**4.67**

Oregon Tel wire centers not covered by USCC's application

Wire Center	Households/ sq mi
Bates	0.3
Dayville	0.9
TOTAL	**0.7**

Oregon Tel wire centers covered by USCC's application

Wire Center	Households/ sq mi
Hereford-Unity	0.5
Mt. Vernon	2.0
Prairie City	3.1
TOTAL	**1.3**