

cellular network in the Gulf of Mexico (the “Gulf”), reaching from Brownsville, Texas to Mobile, Alabama.

PetroCom is the leading cellular service provider in the Gulf of Mexico with a coverage area of over 98,000 square miles. PetroCom’s cellular network consists of an array of cell sites and cell extenders located on offshore platforms, providing seamless, contiguous coverage in the Gulf. The cell sites are connected to its cellular switch in New Orleans, Louisiana via a satellite network. PetroCom also has extensive roaming agreements with a variety of companies, making its system fully compatible with most North American systems and able to access any phone, anywhere, worldwide.

In addition to its cellular operations, PetroCom built and maintains a C-band and Ku-band satellite network, which routes traffic back to its New Orleans switch and teleport facility. In 1995, PetroCom took this satellite expertise, commercialized it, and today operates one of the industry’s largest, most respected, Very Small Aperture Terminal (“VSAT”) network, with over 100 active remote sites.

PetroCom recently announced that it has begun constructing and testing the first digital cellular network in the Gulf of Mexico.^{2/} The new network will employ GSM technology to provide enhanced, secure, and high-speed communications for companies in the offshore industry. The network will also deploy Enhanced Data rates for GSM evolution (“EDGE”) technology to enable the delivery of advanced mobile data services, including high-speed Internet access, video downloading, and full multimedia messaging.

^{2/} “PetroCom Seized the Future with Offshore Tech Milestone; Communication Leader Propels Evolution of Vital Gulf Network,” *available at* www.petrocom.com/news/index.html#press (released March 19, 2004).

The Commission seeks comment on the Joint Board's *Recommended Decision*. The Joint Board's recommendations relate principally to the process for designation of ETCs and the Commission's rules regarding high cost universal service support. While PetroCom generally does not object to any of the Joint Board's specific recommendations, it believes that the Commission should also consider processes that would permit entities like it, competitive ETCs that are not within the service area of an ILEC, to seek designation in order to secure universal service support for high cost areas. Accordingly, PetroCom is pleased to have the opportunity to submit the following comments.

II. COMMENTS

The Joint Board recommended the adoption of permissive federal guidelines that would assist states in determining whether the public interest would be served by a grant of ETC designation.^{3/} In situations where carriers are not subject to the jurisdiction of a state commission, and the FCC has authority to designate ETC carriers, the Joint Board recommended that the Commission apply its own guidelines.^{4/} The Joint Board stated that its recommended guidelines would "improve the long-term sustainability of the universal service fund, as only fully qualified carriers that are capable of, and committed to, providing universal service would be able to provide support."^{5/}

While PetroCom generally does not object to the adoption of these permissive federal guidelines, it urges the Commission to ensure flexibility in their implementation to account for non-traditional carriers such as PetroCom. The recommended guidelines focus on the attributes that must be demonstrated by a potential ETC in order to secure ETC designation. Yet, in each

^{3/} *NPRM* at ¶ 33.

^{4/} *NPRM* at ¶ 33.

^{5/} *NPRM* at ¶ 33.

instance, a carrier's ability to secure ETC designation and universal service funding is premised on the existence of an ILEC against which a potential ETC may be compared. For example, the calculation of support to a competitive ETC that does not employ unbundled network elements or wholesale services may be based on the universal support that the ILEC would receive.^{6/} As noted above, PetroCom operates a cellular network in the Gulf of Mexico. There is not, nor has there ever been, an ILEC in the Gulf. Thus, PetroCom would be unable to provide the FCC with information regarding ILEC costs if it chose to seek ETC designation. Therefore, the existing ETC designation process is too restrictive to allow for the proper consideration of an ETC designation application by PetroCom.

Under Section 214(e)(6) of the Act, the FCC may designate ETCs "in the case of a common carrier ...not subject to the jurisdiction of a State commission" that meets the criteria of Section 214(e)(1).^{7/} Section 214(e)(6) is not further limited to common carriers where an ILEC provides service. The Joint Board states that Congress intended for the states to evaluate specific factual situations and "exercise broad discretion in reaching their ultimate conclusion regarding the public interest, convenience and necessity."^{8/} In adopting the Joint Board's recommendation, the FCC should employ permissive federal guidelines to expand its own public interest analysis to permit carriers serving areas not otherwise served by an ILEC to secure ETC designation.

PetroCom provides a valuable resource for its subscribers, including companies in the offshore industry. Unlike most land-based cellular systems, cellular operations in the Gulf cover a small population over a very large expanse of territory. PetroCom's service area is approximately 95,000 square miles. The majority of PetroCom's customers operate from fixed

^{6/} 47 C.F.R. 54.307(a)(3) (2003).

^{7/} 47 U.S.C. § 214(e)(6).

^{8/} NPRM at ¶ 46.

locations on oil platforms. The nature of the Gulf means that it is a high cost area for PetroCom to serve. For example, PetroCom's cell sites can only be installed or maintained by crews dispatched by helicopter. While PetroCom is committed to provide services throughout its licensed service area, it is the type of area that should be considered high cost under the ETC guidelines, regardless of the presence of an ILEC.

PetroCom is often the only way that oil and gas industry employees are able to communicate for both business and personal purposes. Particularly in an area like of the Gulf of Mexico, where there may be no other communications services, it is critical that PetroCom's services continue to be available. ETC designation would benefit the public by allowing PetroCom to continue to provide its valuable service. For example, despite the high cost of providing service in the Gulf, because of competitive pressures, PetroCom is often required to offer roaming at uneconomic rates. Like other rural carriers, if PetroCom received universal service support, it could continue to provide roaming at competitive rates without jeopardizing its continued ability to render service.

Recent technological advances have resulted in increasing demand by PetroCom's subscribers for Internet access, data transmission and system control, and data acquisition ("SCADA") applications, among other services, which PetroCom provides in the Gulf. In addition, as noted above, PetroCom recently announced that it is deploying a new network with GSM technology to provide enhanced, secure, and high-speed communications for its subscribers. These public benefits and the high cost of providing them should be considered in any public interest analysis for ETC designation, regardless of the lack of an ILEC presence in the Gulf.

III. CONCLUSION

For the foregoing reasons, PetroCom respectfully urges the Commission to consider alternative carriers such as PetroCom in adopting its permissive federal guidelines for ETC designation, regardless of the existence of an ILEC in the area in which the carrier provides service.

Respectfully submitted,

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