
**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
Federal-State Joint Board on Universal Service) CC Docket No. 96-45
To: The Commission)

**PETITION FOR RECONSIDERATION
OF CTIA – THE WIRELESS ASSOCIATION™**

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SUMMARY

CTIA – The Wireless Association™ (“CTIA”) believes that the universal service fund should be no larger than necessary to achieve the statutory objectives. CTIA therefore supports the Commission’s goals in the *ETC Designation Order* of ensuring the integrity of the support mechanisms through efficient and even-handed rules demanding accountability from all eligible telecommunications carriers (“ETCs”). CTIA particularly supports the Commission’s decision to adopt stringent ETC designation guidelines and reporting requirements.

There are, however, certain aspects of the Commission’s *ETC Designation Order* that are overly burdensome and illogical, and that do not comport with the competitive environment in which wireless ETCs operate. These requirements extend a historical bias in the Commission’s universal service rules for wireline networks in spite of a marketplace that is increasingly served by highly efficient wireless carriers. As CTIA previously has observed in this docket, imposing requirements that discourage wireless ETCs will not address the underlying inefficiencies with the current high-cost universal service mechanisms, will distort the competitive marketplace, and, in the end, will deny consumers located in high-cost rural areas the same high-quality, innovative services available to consumers in low-cost urban areas. To be effective the ETC designation rules must be even-handed. They also must be tailored to achieve defined policy goals.

CTIA specifically requests that the Commission replace the five-year network improvement plan and new reporting requirements with a more realistic 12-18 month requirement. It is reasonable to expect that a wireless ETC will make continuing commitments to improve service in its designated area. It is not realistic, however, to expect a wireless ETC to formulate a detailed network improvement plan that spans a half a decade. Nor is it reasonable to evaluate a wireless carrier’s performance as an ETC on the basis of such a plan. Wireless

ETCs cannot predict either the level of their universal service funding or their private financing with such specificity five years into the future. Technological innovations and changing customer needs require carriers to constantly update their plans. The network improvement plans and reporting requirements also are illogical for wireless carriers. In particular, requiring wireless ETCs to report based on incumbent local exchange carrier (LEC) wire centers will yield misleading data.

The Commission also should reconsider the *ETC Designation Order's* application of a different outage reporting threshold for FCC-designated ETCs than the threshold that the Commission just recently adopted for all carriers. In adopting this change in a footnote, the order did not explain adequately or offer data as to why ETCs should be subject to a different standard, nor did it justify the threshold chosen.

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CTIA – The Wireless Association™¹ (“CTIA”) submits this petition for reconsideration of the Commission’s *Report and Order* setting forth minimum eligible telecommunications carrier (“ETC”) designation criteria to determine an applicant’s eligibility to receive federal universal service support.²

I. INTRODUCTION

CTIA supports the Commission’s efforts to ensure that prospective ETCs satisfy their obligations under Sections 214(e) and 254(e) of the Communications Act, which require that universal service support be used for its intended purposes.³ Increased accountability for *all*

¹ CTIA is an international organization of the wireless communications industry for wireless carriers, manufacturers, and applications providers. Membership in the association covers Commercial Mobile Radio Service providers and manufacturers, including cellular, broadband PCS, and ESMR, as well as providers and manufacturers of wireless data services and products.

² *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, 20 FCC Rcd 6371 (2005) (“*ETC Designation Order*”).

³ 47 U.S.C. § 214(e)(1) (stating that a common carrier designated as an ETC “shall be eligible to receive universal service support in accordance with section 254”); 47 U.S.C. § 254(e) (“[O]nly an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support. A carrier that receives such support shall
(continued on next page)

carriers receiving universal service support is a step in the right direction in the wake of growing concerns about the size of the fund.⁴ CTIA appreciates statements by the Commission urging state commissions to adopt the annual reporting requirements and apply them to all incumbent and competitive ETCs.⁵ To that end, CTIA urges the Commission and states – consistent with the pro-competition and universal service provisions of the Act – to ensure that any new reporting requirements are applied to *all* carriers in a competitively neutral manner.⁶ CTIA likewise urges the Commission and states to ensure a nexus between any new designation guidelines and reporting requirements and the universal service goals of the Act.⁷

CTIA also asks the Commission to reject predictable proposals by certain incumbent local exchange carriers (LECs) to impose unnecessary and discriminatory designation limitations on wireless carriers.⁸ These proposals are nothing more than attempts by incumbent LECs to maintain monopoly control of their respective service areas through the regulatory process – in

use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”).

⁴ *ETC Designation Order*, 20 FCC Rcd at 6372 ¶ 2 (“We ... believe that because these requirements create a more rigorous ETC designation process, their application by the Commission and state commissions will improve the long-term sustainability of the universal service fund.”).

⁵ *See ETC Designation Order*, 20 FCC Rcd at 6403, ¶ 71.

⁶ *See Alenco Communications, Inc. v. FCC*, 201 F.3d 608 (5th Cir. 2001) (holding that the Act requires the implementation of universal service mechanisms in a way that is consistent with the Act’s pro-competitive goals).

⁷ For example, the Commission and states should ensure that a strong nexus exists between any consumer protection or service quality obligations and the universal service principles enunciated in section 254(b) of the Act.

⁸ *See, e.g.*, Letter from Mary Newcomer Williams, TDS Telecom, to Marlene H. Dortch, FCC, filed June 15, 2005.

clear conflict with the demands of consumers in rural, high-cost areas for the same range of high-quality and innovative services that are now available to consumers in urban, low-cost areas.

Despite generally supporting the *ETC Designation Order*, CTIA seeks reconsideration of certain aspects of it. With targeted changes to its new rules, the Commission can impose a more rigorous designation and reporting process without undermining the statutory goals of sufficient and predictable support or the principle of competitive neutrality.

II. THE COMMISSION SHOULD RECONSIDER CERTAIN ASPECTS OF NETWORK IMPROVEMENT PLANS AND ANNUAL REPORTING REQUIREMENTS

CTIA supports the Commission's conclusion to rigorously enforce the statutory requirement that ETC applicants demonstrate their capability and commitment to provide service throughout the designated service area to all customers making a reasonable request for service.⁹ As a significant net contributor to the federal universal service programs, the wireless industry has powerful incentives to ensure that all universal service dollars are used only for their intended purposes and that only carriers who are committed to satisfying the goals of the Act receive universal service funding. In that vein, the wireless industry's interests are aligned with those of consumers, the intended beneficiaries of the universal service programs.

The Commission's new five-year network improvement plans, for new ETC applicants, and concomitant annual reporting requirements, for existing ETCs, however, are unnecessarily burdensome and discriminatory responses to this goal. As described below, the five-year planning requirement is overly burdensome, not competitively neutral, and inconsistent with the planning horizon of most of the ETCs that will be required to comply with it. Instead, the

⁹ *ETC Designation Order*, 20 FCC Rcd at 6381, ¶ 22.

Commission should adopt a more reasonable planning horizon of 12-18 months. The Commission also should reconsider certain other discriminatory and/or overly burdensome aspects of its reporting requirements.

A. The Five-Year Planning Requirement Is Inconsistent with the Planning Horizon of ETCs Operating in a Competitive Industry

While it is reasonable to expect that a wireless ETC will make continuing commitments to improve service in its designated area, it is not reasonable to expect a wireless ETC to formulate a detailed network improvement plan that spans a half a decade. It is even less reasonable to evaluate a wireless carrier's performance as an ETC on the basis of such a plan. Reminiscent of Communist central planning, the five-year planning requirement is too long a period and is overly granular given the real-world planning environment faced by wireless ETCs. The planning horizon for improvements to a carrier's network in the competitive wireless environment is generally 12-18 months, but in no event longer than two years. In the *Virginia Cellular* order, the Commission considered and accepted a more reasonable year-and-a-half planning horizon for network improvements.¹⁰ The Commission did not explain why it departed from this stringent, but reasonable, planning horizon.

Wireless carriers face too many variables to accurately and predictably project or plan their network improvements for five years in the future. Moreover, the variables are often outside the control of the wireless carrier. Technological innovations and changing customer needs require carriers to constantly update their plans. Population patterns change, affecting

¹⁰ See *Federal-State Joint Board on Universal Service, Virginia Cellular LLC, Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, *Memorandum Opinion and Order*, 19 FCC Rcd 1563, 1571 (2004) ("*Virginia Cellular*").

where improvements in the network are needed. Wireless carriers also face unpredictable customer churn that has been facilitated by local number portability, which can affect network planning. Moreover, unlike many incumbent local exchange carriers that receive a guaranteed return on their investment, carriers in competitive industries like wireless service are faced with less predictable revenue streams.

Unlike wireline carriers that receive a set amount of universal service funding each quarter, wireless ETCs receive funding based on the number of customers they are serving within their designated areas. For many of the reasons noted above – churn and shifts in population patterns – it is difficult for wireless ETCs to predict the number of customers they will be serving and therefore the amount of universal service funding they will receive in any one year, let alone for five years hence.

Changes in funding through capital markets are particularly relevant to wireless ETCs' network improvement plan since they cannot reliably predict the amount of capital that they will receive in any given year. Long-term investment also is difficult to promise in the absence of certainty regarding universal service funding levels. At present, the Universal Service Administrative Company ("USAC") only provides assessments of future universal service funding through the end of 2005.¹¹ Moreover, USAC does not provide sufficient detail to enable ETCs to determine how USAC calculates funds disbursed.

The unpredictability of wireless ETC universal service funding is compounded by numerous open Commission proceedings that may impact the amount of support available to

¹¹ See USAC, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter of 2005*, App. HC05 – *High Cost Loop Support Projected by State by Study Area*, at <http://www.universalservice.org> (filed May 2, 2005).

both incumbent and competitive ETCs. In particular, the Federal-State Joint Board on Universal Service currently is considering fundamental reforms to the high-cost universal service support mechanisms.¹² Moreover, the Commission recently issued a *Further Notice of Proposed Rulemaking* on reforms to the intercarrier compensation and universal service systems.¹³ Discriminatory proposals submitted in both those proceedings could significantly reduce – or in some cases eliminate – high-cost universal service support for competitive ETCs.¹⁴ The exacting

¹² *Federal-State Joint Board on Universal Service Seeks Comment on Certain of the Commission’s Rules Relating to High-Cost Universal Service Support*, CC Docket 96-45, *Public Notice*, 19 FCC Rcd 16083 (2004) (“*High-Cost Universal Service Joint Board Public Notice*”).

¹³ *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Further Notice of Proposed Rulemaking*, 20 FCC Rcd 4685 (2005) (“*Intercarrier Compensation NPRM*”).

¹⁴ In the *High-Cost Universal Service Joint Board* proceeding, commenters argued that competitive ETCs should be denied high-cost funding altogether in rural areas absent a public interest finding or, at the very least, that ETCs should not receive the same level of high-cost support as was being provided to incumbent carriers. *See, e.g.*, Comments of Verizon, CC Docket No. 96-45, at 15 (filed Oct. 15, 2004) (reiterating that absent extraordinary circumstances, it is not in the public interest to grant ETC status to more than one carrier in a rural area); Reply Comments of General Communications, Inc., CC Docket No. 96-45, at 2-3 (filed Dec. 14, 2004) (requiring ETCs to show they offer a substitute service for wireline service in order get the same high-cost funding as the ILEC); Reply Comments of the National Association of State Utility Consumer Advocates on Rules Relating to Rural High-Cost Universal Service Support, CC Docket No. 96-45, at 44-45 (filed Dec. 14, 2004) (arguing that CETCs should receive support on their forward-looking costs, but to the extent that these costs exceed the ILEC costs, CETC recovery is capped at the ILEC level). Similarly, in the *Intercarrier Compensation* docket, commenters have proposed everything from elimination of universal service support to ETCs to creation of new universal service or access revenue replacement mechanisms that are not portable to competitive ETCs. *See, e.g.*, Comments of Beehive Telephone Company, Inc., CC Docket No. 01-92, at 3 (filed May 23, 2005) (stating that designation of ETCs in rural areas is not in the public interest and access to universal service funds to ETCs should be reconsidered in this proceeding); Comments of the United States Telecommunications Association, CC Docket No. 01-92, at 14-15 (filed May 23, 2005) (proposing an “Access Recovery Mechanism” that would replace lost access revenues for LECs but would not be portable to other carriers); Comments of the Coalition for Capacity-Based Access Pricing, CC Docket No. 01-92, at 20-22 (filed May 23, 2005) (proposing a bulk-billed

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nature of the network improvement plans requested by the Commission, which would include both starting and ending dates for select projects, is simply unrealistic for competitive wireless carriers whose planning horizons, financing environments, and regulatory uncertainties defy the ability to accurately make such predictions.

Moreover, the Commission has overlooked the inevitable consequences of requiring carriers to disclose such build-out requirements on a wireless carrier's ability to obtain capital funding or to bargain with other companies from whom it needs service. For example, if a wireless ETC indicates as part of its network improvement plan that it intends to add coverage in a certain wire center in 2007, those owning towers in that wire center know that the wireless ETC must accomplish this goal and can increase the price of leasing tower space.

Another unintended consequence of the Commission's build-out plans is the negative impact they may have on the level of competition in a given geographic area. In the Commission's detariffing orders, it concluded that allowing wireless carriers to submit tariffs could enable them to signal prices to their competitors, and therefore could make wireless carriers less competitive with one another.¹⁵ Likewise, in the ETC designation context, allowing wireless carriers to submit extensive build-out plans could provide competitors competitively sensitive information about future build-out – which could influence their decisions on whether or not to enter a particular market. For the same reason that the Commission was concerned about the anti-competitive effects of carriers signaling pricing through the tariff process, it

access charged called the High-Cost Connection Fund to replace lost access revenues that would not be portable to competitive ETCs).

¹⁵ *Policy and Rules Concerning the Interstate, Interexchange Marketplace*, CC Docket No. 96-61, *Second Report and Order*, 11 FCC Rcd 20730, 20760 (1996).

should also be concerned about the anti-competitive effects of carriers signaling network deployment – especially over a period as long as five years – through the network build-out planning process. If the Commission insists on keeping such filing requirements, it must consider the sensitive nature of this information and implement specific confidentiality safeguards so that competitors will not have a competitive advantage by having access to such information.

The Commission’s focus on network build-out requirements also overlooks continued maintenance of a carrier’s network and the impact of technological innovations on network deployment. As rural incumbent LECs have observed in this proceeding, in some cases wireless carriers have been able to achieve some degree of build-out of their networks in rural areas prior to receiving ETC funding.¹⁶ Wireless carriers also are taking advantage of recent Commission rule changes to expand coverage in rural areas using existing infrastructure or by installing fewer base stations.¹⁷ The statute specifically provides for universal service funding not only for the

¹⁶ See, e.g., Comments of Verizon, CC Docket No. 96-45, at 12 (filed Aug. 6, 2004) (“The fact is that many petitioners are seeking ETC status in areas where they *already* provide service, even *without* universal service support.”) (emphasis in original).

¹⁷ The Commission, for example, recently modified its technical rules to enable wireless carriers operating in rural areas to increase base station power levels and thereby more efficiently deploy services with fewer base stations. See *Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services*, WT Docket Nos. 02-381, 01-14, and 03-202, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 19078 (2004). CTIA has asked the Commission to further facilitate this deployment by modifying the base station power limits in Parts 24 and 27 of the Commission’s rules by restating current limits with ones based on power spectral density. Letter from Paul Garnett, Director, Regulatory Policy, CTIA, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 03-264 (filed Oct. 20, 2004).

build-out and expansion of a network, but also for its continued maintenance.¹⁸ Just as incumbent LECs use universal service support for both upgrading and maintenance of their legacy networks, the Commission's rules must acknowledge wireless ETCs' similar right to use support for the maintenance of their rural networks. CTIA therefore also asks the Commission to clarify that maintenance of existing networks may be a sufficient basis for retaining ETC status.

B. Requiring Wireless ETCs to Report Based on Wireline Networks Is Illogical and Not Competitively Neutral

The *Order's* reporting requirements for the five-year network improvement plan also are illogical and discriminatory because they must be provided on a wireline-centric basis, even though the *Order* acknowledges that wireless carriers “are the common carriers that most frequently seek to be designated as ETCs before the Commission.”¹⁹ All the elements of the five-year plan and the annual reporting process must be demonstrated at the incumbent LEC wire center level. For example, an ETC's maps submitted to depict improvements in service quality, coverage and capacity must be submitted at the wire center level.²⁰

In light of today's increasingly technology diverse marketplace, the Commission must move away from wireline centric metrics for its universal service policies. There now are more wireless phones in the United States than there are wireline switched access lines.²¹ About six

¹⁸ 47 U.S.C. § 254(e) (“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.”) (emphasis added).

¹⁹ *ETC Designation Order*, 20 FCC Rcd at 6379, n.44.

²⁰ *ETC Designation Order*, 20 FCC Rcd at 6381-82, ¶ 23.

²¹ According to data gathered by CTIA, the current number of wireless handsets in the United States exceeds 182 million. See CTIA Semi-Annual Wireless Industry Survey, at <http://files.ctia.org/pdf/CTIAYearend2004Survey.pdf> (“CTIA Industry Survey”). Based upon (continued on next page)

percent of all households have wireless service only, and that percentage is growing rapidly.²² Wireless minutes of use increased approximately 32.7 percent and exceeded one trillion minutes in 2004.²³ Moreover, guided by the rigors of a vibrantly competitive marketplace, wireless carriers are aggressively responding to consumer demand for new and innovative products and services in both rural and urban markets. With the help of universal service funding and other Commission policies, wireless carriers are making significant investments in high-cost rural areas. Approximately 50.5 percent of rural households and 53.5 percent of urban households have wireless services.²⁴ As federal and state regulators have acknowledged, wireless carriers play a key role in expanding telephone services to those parts of the United States with little or no wireline telephone penetration.²⁵ The five Economic Areas (“EAs”) in the United States with

data available from the Universal Service Administrative Company, the current number of incumbent LEC working loops is approximately 173 million. *See* USAC, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter of 2005*, App. HC05 – *High Cost Loop Support Projected by State by Study Area*, at <http://www.universalservice.org> (filed May 2, 2005). However, the number of wireline phone lines also has been estimated to be as low as 132 million. *See* Dennis Cauchon, *City, State, Cell Phone Taxes On The Rise*, USA TODAY, May 9, 2005, available at www.usatoday.com/money/perfi/taxes/2005-05-08-cellphone-taxes_x.htm.

²² *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services*, WT Docket No. 04-111, *Ninth Report*, 19 FCC Rcd 20597, 20683-85 (2004) (“*CMRS Ninth Report*”).

²³ *See* CTIA Industry Survey; *see also* CSFB US Equity Research, *Key Telecom Trends: Wireless Subs the Positive Surprise* (Apr. 29, 2005) (“*CSFB Trends Report*”) (reporting faster wireless market expansion and stronger wireless data penetration than previously estimated).

²⁴ Comments of CTIA – The Wireless Association™, WT Docket No. 05-71, at 21 (filed Mar. 28, 2005); *see also id.* at 12-17 (describing wireless developments in rural markets).

²⁵ Comments of CTIA – The Wireless Association™, CC Docket No. 96-45, at 15-16 (Oct. 15, 2004) (“*CTIA USF Reform Comments*”); FCC Press Release, *Consumer & Governmental Affairs Bureau Reports on Status of ‘Lands of Opportunity: Building Rural* (continued on next page)

the lowest population had an average wireless penetration rate of 46.51 percent in 2003.²⁶

Highly efficient wireless networks, therefore, are quickly becoming the norm, rather than the exception to wireline networks in both rural and non-rural areas.

Wireless carriers' networks are not designed based on incumbent LEC wire centers.²⁷ In addition, wireless carriers' use of mobile, radio-based technology makes the use of mismatched geographic subdivisions misleading. For example, a wireless ETC might install a new cell tower, or sectorize an existing antenna, in one incumbent LEC wire center that substantially improves coverage (or even primarily) in an adjacent incumbent LEC wire center. Therefore, to the extent that the Commission continues to require wireless ETCs to comply with this type of reporting requirement, the Commission should permit wireless ETCs to submit information based on a reasonable subdivision of a wireless carrier's network (*e.g.*, the area served by a single mobile switching center) or, barring that, based on competitively neutral geographic areas (*e.g.*, zip codes or counties). Permitting wireless ETCs to report based on their own network infrastructure will achieve that same goal that the Commission's reporting requirement are meant to achieve – ensuring that both wireline and wireless ETCs satisfy their basic obligation to provide supported services through the designated service area.

Connectivity' (rel. July 8, 2004); *North Dakota PSC Launches Initiative to Expand Wireless Service in Rural Areas*, TR DAILY (July 27, 2004).

²⁶ *CMRS Ninth Report* at 20696 (Table 3 comparing the wireless penetration rates of EAs 149, 126, 142, 112, and 145).

²⁷ In many rural areas, the LEC wire centers are based on decades-old population and development patterns, rather than reflecting current consumer needs for telecommunications service.

III. THE OUTAGE REPORTING REQUIREMENT IS UNNECESSARILY DUPLICATIVE AND INCONSISTENT

Wireless carriers already are subject to the same outage reporting requirements applicable to other carriers.²⁸ In a decision adopted less than one year ago in August 2004, the Commission extended its outage reporting requirements to wireless carriers.²⁹ In the *Outage Reporting Order*, for an outage to be included in the report, it must potentially affect 900,000 user minutes of either telephony or associated data. In a footnote in the *ETC Designation Order*, the Commission chose not to use this standard and instead will require ETCs to annually report any outages that potentially affect 10% or more of their customers in a designated service area.³⁰ The Commission's only justification for diverging from the reporting threshold applicable to all other carriers is that it "believe[d] that a user minute threshold may be insufficient for the purpose of determining ETC functionality during emergency situations in designated areas because populations can vary."³¹

In addition to the differing threshold requirements, the *ETC Designation Order* requires ETCs to submit a different kind of notification to the Commission than what is required in the *Outage Reporting Order*. The Commission's rules in the *Outage Reporting Order* require entities to submit notification to the Commission within 120 minutes of discovering an outage, which contains the following information: "the Reporting Entity; the Date and Time of onset of

²⁸ *New Part 4 of the Commission's Rules Concerning Disruptions to Communications, Report and Order and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 16830 (2004) ("*Outage Reporting Order*").

²⁹ *Id.* at 16833-34.

³⁰ *ETC Designation Order*, 20 FCC Rcd at 6402 n.194.

³¹ *Id.*

the outage; a Brief Description of the Problem; the particular Services Affected; the Geographic Area affected by the outage; and a Contact Name and Contact Number by which the Commission's technical staff may contact the reporting entity.”³² The Commission’s outage reporting requirements set forth in the *ETC Designation Order* require submission once a year of the following: (1) the date and time of onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected. The outage reporting requirements for ETCs require two additional criteria to be reported, specifically the steps taken in a similar situation and the number of the customers affected. Moreover, in Appendix C of the *Outage Reporting Order*, the Commission sets forth an “Illustrative Electronic Filing Template” that carriers can use to report outages. This template also is not consistent with the reporting requirements set forth in the *ETC Designation Order*.

Adopting a different threshold requirement and different notification elements for reporting basically the same information is simply bad policy-making. ETCs should not be subject to two different outage reporting metrics that will increase their costs for tracking the same outages. Moreover, if the Commission believes that the user minute threshold is inadequate for determining a carrier’s functionality during emergencies, it should address this issue in the *Outage Reporting* docket and consider making changes for all carriers in order to promote consistency. There is simply no policy justification for increasing costs to ETCs by requiring that the same outage issues be reported under different thresholds or different notification elements.

³² *Outage Reporting Order*, 19 FCC Rcd at 16912.

Moreover, the Commission offered no other data or analysis in support of the arbitrary 10% threshold that it chose. It is legally unsound to pick an arbitrary number with no objective support. If the Commission wishes to continue use of the 10% threshold, it should justify why this threshold is appropriate.

For these reasons, the Commission should reconsider its decision to adopt a different threshold and notification elements for reporting the same outage data. The Commission should give the rules adopted in the *Outage Reporting Order*, which have been in place for less than one year, time to take effect. Telecommunications carriers have expended significant time, resources, and effort to implement the requirements detailed in the Commission's *Outage Reporting Order*. The outage reporting requirements set forth in the *Outage Reporting Order* may be sufficient for the Commission to ensure that ETCs are using their universal service for its intended purposes and are providing customers with a safe and reliable service. Now is not the time to impose additional, burdensome requirements on ETCs before the requirements adopted in the *Outage Reporting Order* have been allowed to work.

IV. CONCLUSION

For the foregoing reasons, the Commission should replace the five-year planning and reporting requirement adopted in the *ETC Designation Order* with a more reasonable 12-18 month requirement. In addition, the Commission should not impose wireline-centric reporting requirements on wireless ETCs. The Commission also should eliminate the unique ETC outage reporting requirement, given the Commission's recent adoption of generally applicable outage reporting requirements.

Respectfully submitted,

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