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Federal Communications Commission
Office of Secretary

September 29, 2006

VIA HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
c/o Natek, Inc., Inc.
236 Massachusetts Avenue, NE
Suite 110
Washington, DC 20002

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Karen Majcher
Vice President, High Cost and Low Income Division
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

Re: Alltel Communications, Inc. (State of Georgia; SAC 229004)
Certification per 47 C.F.R. §§ 54.202, 54.209 (CC Docket No. 96-45)
Request for Confidential Treatment

Dear Madam Secretary and Ms. Majcher:

Enclosed please find the certification Alltel Communication, Inc. ("Alltel") required by sections 54.202 and 54.209 of the Commission's Rules,¹ for the State of Georgia ("State"), study area code (SAC) 229004. Alltel hereby requests that confidential and competitively sensitive portions of this filing be withheld from public inspection pursuant to Section 0.459 of the Commission's Rules.² The materials include highly confidential and competitively sensitive business and financial information that has not been nor would ordinarily be publicly disclosed, and which thus falls within Exemption 4 of the Freedom of Information Act ("FOIA") as "trade secrets and commercial or financial information obtained from a person and privileged or confidential."³

The following information supports the request for confidentiality under Section 0.459(b) of the Commission's Rules:

- (1) The information for which confidential treatment is requested includes the following portions of Alltel's attached certifications: Confidential Exhibit B (Service Improvement

¹ 47 C.F.R. §§ 54.202, 54.209.

² 47 C.F.R. § 0.459

³ 5 U.S.C. § 552(b)(4). As such, the material should automatically be exempt from disclosure under the Commission's Rules. 47 C.F.R. §§ 0.457(d) and 0.459(a).

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Plan, with Appendices); Confidential Exhibit D (prior years' universal service support and expenditures, with Appendices); Confidential Exhibit E (outage report); and Confidential Exhibit F (unfulfilled service requests).

- (2) This information is being submitted as required by sections 54.202 and 54.209 of the Commission's Rules and the *March 17 Order*.⁴
- (3) This information is highly confidential and competitively sensitive information. The Service Improvement Plan (Exhibit B) shows Alltel's projected expenditures to improve its coverage and service localized to a granular level. The information regarding these commitments is competitively sensitive with respect to Alltel's competitors as well as other parties such as tower owners and equipment vendors. Similarly, the information regarding Alltel's expenditures of universal service support (Exhibit D) on maintenance, infrastructure, capacity, and other improvements is highly competitively sensitive. Alltel's outage report (Exhibit E) and unfulfilled service requests report (Exhibit F) are also competitively sensitive vis-à-vis Alltel's competitors.
- (4) The information concerns the wireless services that Alltel provides as an ETC in the State, which are highly competitive, with multiple wireless carriers serving these markets.
- (5) Disclosure of the financial information would cause significant competitive harm to Alltel by disclosing the location and extent of Alltel's network investments in the supported area, including competitively sensitive financial information as well as network quality information. In addition, the information regarding future commitments for network investments could harm Alltel competitively by placing it at a disadvantage in negotiations with tower site owners, equipment manufacturers, and other vendors.
- (6) Alltel treats this information as highly confidential, and does not publicly disclose this information. In addition, within the company distribution is limited to employees on a "need to know" basis.
- (7) This information is not available to the public, and has not previously been disclosed to third parties (other than agents of Alltel on a confidential, "need to know" basis, such as outside counsel or accountants).
- (8) Alltel believes this information should be permanently withheld from public disclosure, given the highly sensitive nature of the information.

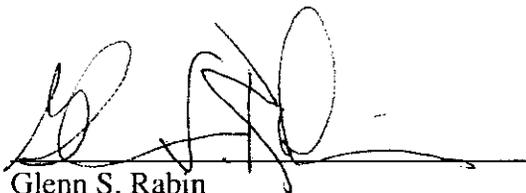
⁴ *Federal-State Joint Board on Universal*, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371 (2005) ("*March 17 Order*").

Please contact the undersigned if you have questions concerning this request.

Respectfully submitted,

ALLTEL COMMUNICATIONS, INC.

By:

A handwritten signature in black ink, appearing to read 'G. Rabin', is written over a horizontal line. The signature is stylized and somewhat cursive.

Glenn S. Rabin
Vice President, Federal Regulatory Affairs

cc: Thomas Buckley (via email)
Mark Seifert (via email)

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**Before the
Federal Communications Commission
Washington, D.C. 20554**

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

**ELIGIBLE TELECOMMUNICATIONS CARRIER CERTIFICATION
AND ANNUAL REPORT ON BEHALF OF
ALLTEL COMMUNICATIONS, INC.
STATE OF GEORGIA**

September 28, 2006

Gene DeJordy
Vice President, Regulatory Affairs
Alltel Communications, Inc.
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Alltel Communications, Inc.

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I. INTRODUCTION

In accordance with the standards and requirements established by the Federal Communications Commission (“Commission”), Alltel Communications, Inc. (“Alltel”) submits this Eligible Telecommunications Carrier (“ETC”) Certification and Annual Report, and respectfully requests the Commission to certify its eligibility for high-cost support from the federal universal service fund for calendar year 2007 in the State of Georgia.¹ In the *March 17 FCC Order*, the Commission adopted new annual ETC certification requirements scheduled to take effect with the 2006 annual ETC certification process.² These new rules are codified at 47 C.F.R. §§ 54.202 and 54.209.

II. BACKGROUND

Alltel is licensed by the FCC to provide commercial mobile radio services (“CMRS”) in Georgia. Alltel is licensed to provide service through cellular licenses in the following RSAs/MSAs: Georgia RSA 4 (Jasper); Georgia RSA 5 (Haralson); Georgia RSA 6 (Spalding); Georgia RSA 7 (Hancock); Georgia RSA 8 (Warren); Georgia RSA 9 (Marion); Georgia RSA 10 (Bleckley); Georgia RSA 11 (Toombs); Georgia RSA 12 (Liberty); Georgia RSA 12 (Early); Georgia RSA 14 (Worth); and the following MSAs: Savannah, GA; Athens, GA; Albany, GA. Additionally, Alltel has PCS licenses in the following areas: Anderson, SC; Rome, GA; and Dalton, GA. The Commission has designated Alltel as a competitive ETC in certain non-rural

¹ The data in the attached exhibits represent commercial and financial trade secrets regarding Alltel’s network build-out plans and other matters that are highly sensitive due to the competitive nature of the commercial wireless industry. Accordingly, Alltel respectfully requests that the Commission treat these data as confidential and withhold them from public inspection, pursuant to Sections 0.457(d)(1) and 0.459 of the rules, as explained in the cover letter to this filing.

² *Federal-State Joint Board on Universal*, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371 (2005) (“*March 17 Order*”).

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wire centers of Bell South.³ A complete listing of the areas in which Alltel has been designated as an ETC is contained in Exhibit A, which is attached hereto.

III. ALLTEL SATISFIES EACH OF THE COMMISSION'S ETC APPLICATION REQUIREMENTS SET FORTH IN SECTION 54.202(a)

Section 54.202(b) of the Commission's Rules requires a common carrier designated by the Commission as an ETC prior to the effective date of the new rules to submit the information required by FCC Rule 54.202(a) no later than October 1, 2006.⁴ Alltel respectfully submits the following information in satisfaction of the Commission's requirements for the Designated Areas.

A. Alltel Commits To Provide Service Throughout Its Designated Areas To All Customers Making A Reasonable Request For Service

Alltel commits to provide service throughout its Designated Areas to all customers making a reasonable request for service in compliance with the Commission's standards based on FCC Rule 54.202(a)(1)(i). Upon receiving a request for service from a potential customer within its Designated Areas, Alltel hereby certifies that it will:

1. Provide service on a timely basis to requesting customers within its Designated Areas where its network already serves the potential customer's premises; and
2. Provide service within a reasonable period of time, if the potential customer's premises is located within Alltel's Designated Areas, but outside its existing network coverage, if service can be provided at reasonable cost by:
 - (a) Modifying or replacing the requesting customer's equipment;

³ *Federal-State Joint Board on Universal Service; ALLTEL Communications Inc., Petitions for Designation as an Eligible Telecommunications Carriers in the States of Alabama, Florida, Georgia, North Carolina, and Virginia*, Order, 19 FCC Rcd 20496 (WCB 2004) ("*Alltel Non-Rural Designation Order*").

⁴ FCC Order at ¶ 68. Because the deadline falls on a weekend this year, the deadline is September 29, 2006.

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- (b) Deploying a roof-mounted antenna or other equipment;
- (c) Adjusting the nearest cell tower;
- (d) Adjusting network or customer facilities;
- (e) Reselling services from another carrier's facilities to provide service; or
- (f) Employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment.

If service cannot be offered at reasonable cost using one of these options, Alltel will report the unfulfilled service request to the Commission and describe how it attempted to provide service consistent with FCC Rule 54.209(a)(3).

B. Alltel's Service Improvement Plan

Alltel has developed a five-year plan that describes with specificity proposed improvements or upgrades to its network serving its Georgia Designated Areas ("Service Improvement Plan"). Alltel's Service Improvement Plan is attached as **Confidential Exhibit B**. The Service Improvement Plan includes all information required by FCC Rule 54.202(a)(1)(ii) for calendar years 2006 through 2010. The projected expenditures under the Service Improvement Plan are based on an estimate of receiving approximately \$5.4 million in federal high-cost universal service support in each year throughout the five-year period for a total of approximately \$27 million for the entire five-year period.⁵

Alltel's Service Improvement Plan demonstrates how signal quality, coverage or capacity will continue to improve due to Alltel's receipt of federal high-cost universal service support; the projected start date and completion date for each improvement; the estimated amount of

⁵ This figure is based on projections from the Universal Service Administrative Company's website found at www.universalservice.org. Actual support amounts received may vary from this projection. This figure does not factor in any company growth factors as doing so would be too speculative.

investment for each project that is funded by high-cost support; the specific geographic areas where the improvements are expected to be made; and the estimated population that will be served as a result of the improvements. In certain portions of the Designated Areas, service improvements specific solely to those areas are not currently projected within the scope of this five-year Service Improvement Plan. That is because, as reflected in **Confidential Exhibit B**, Alltel is projecting certain enhancements and upgrades to its switching facilities which will provide an improvement to all areas served in the Designated Areas. Additionally, the projected capital expenditures and other operating expenses reflected in the Plan exceed the projected amount of universal service support Alltel will receive, so the Company need not provide a further demonstration of how funding will otherwise be used to further the provision of supported services in those areas. Thus, even in those portions of the Designated Areas for which a specific service improvement is not identified in the Service Improvement Plan, Alltel will continue to utilize federal high-cost universal service support for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with Section 254(e) of the Telecommunications Act of 1996 (the “Act”) and FCC Rules 54.7 and 54.202(a)(1)(ii).

C. Alltel Has Adequately Prepared For Emergency Operations

Alltel provides the following information demonstrating its ability to remain functional in emergency situations consistent with FCC Rule 54.202(a)(2). The Alltel network is designed to be able to remain functional in emergency situations. Alltel has reasonable amounts of back-up power to provide functionality without an external power source, and has implemented industry practices to reroute traffic around damaged facilities and manage traffic spikes resulting from emergency situations.

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Alltel has deployed fixed and portable back-up power generators at various locations throughout its network that can be deployed in emergency situations. These back-up power generators are capable of keeping a cell site up and running until power is restored to the cell site, a portable generator is moved to the site, system changes are made to reroute traffic or a cell on wheels (“COW”) is deployed. Alltel tests its back-up power generators regularly to ensure functionality. Alltel is also capable of rerouting traffic around damaged or out-of-service facilities by changing call routing translations as needed. Alltel is also able to deploy COWs as temporary cell sites when existing facilities are damaged or out-of-service for longer periods of time. Further, by changing call routing translations or deploying COWs, Alltel is able to manage traffic spikes throughout its network. As a longer-term solution for managing increased traffic levels and traffic spikes, Alltel may increase capacity at its cell sites, switches and transport facilities.

D. Alltel Will Satisfy Applicable Consumer Protection And Service Quality Standards Within Its Designated Areas, Including Compliance With The CTIA Consumer Code

Alltel will satisfy applicable consumer protection and service quality standards within its Designated Areas. For purposes of this requirement, the applicable consumer protection and service quality standards established by the Commission relate to the CTIA – The Wireless Association’s Consumer Code for Wireless Service (“Consumer Code”). Set forth below is a demonstration of Alltel’s ability to comply with the applicable standards.

FCC Rule 54.202(a)(3) states that a commitment by a wireless carrier to comply with the Consumer Code satisfies this requirement.⁶ Alltel became a voluntary signatory to the Consumer

⁶ FCC Rule 54.202(a)(3) states that a wireless ETC applicant’s commitment to comply with the Consumer Code satisfies the requirement to meet applicable consumer protection and service quality standards.

Code in September 2003. Since adopting the Consumer Code, Alltel has implemented the policies and practices required of signatories throughout its Designated Areas, including disclosures of rates, terms of service and maps of service areas, a trial period for new service, ready access to customer service, policies for customer privacy and prompt responses to consumer inquiries and complaints from government agencies. Furthermore, Alltel provides periodic training materials to customer service representatives and internally monitors and updates its intranet site toward maintaining compliance with the Consumer Code. Finally, Alltel provides subscribers with benefits that are not mandated by the Consumer Code or other regulation in that it monitors its network for dropped calls and does not bill such dropped calls to customers.

E. Alltel Offers Local Usage Plans Comparable To The Service Offerings Of The Incumbent LECs Serving Alltel's Designated Areas

Alltel offers local usage plans comparable to the service offerings of the incumbent LECs serving its Designated Areas consistent with FCC Rule 54.202(a)(4). The requirement to offer at least one service offering that contains an amount of local usage comparable to the local usage offered by the incumbent LEC does not mandate unlimited local calling. When comparing Alltel's service offerings to one offered by an incumbent LEC, it is appropriate to consider that Alltel offers local calling plans that may contain fewer minutes of use but larger local calling areas, which is comparable to a LEC plan with more minutes of use but a smaller local calling area.⁷

A listing of Alltel's rate plans currently available in the Designated Areas is attached as **Exhibit C**. Alltel provides rate plans that include substantial local calling areas with varying

⁷ *March 17 Order* at ¶ 33.

levels of local usage, including plans with unlimited local usage that provide an outstanding consumer value. Alltel includes local usage in each rate plan and Alltel offers local calling areas that are substantially larger than those offered by the incumbent LECs. Customers therefore have the opportunity to select a rate plan that best meets their needs. Each Alltel rate plan includes, at a minimum, all of the supported services required by FCC Rule 54.101(a)(1)-(9) comparable to the service offerings of the incumbent LECs. Consistent with FCC Rule 54.202(a)(4), the amount of local usage available in Alltel's generally available rate plans is comparable to that offered by the incumbent LECs in the Designated Areas.

F. Alltel Acknowledges The FCC May Require It To Provide Equal Access In A Designated Area In The Event That No Other ETC In the Service Area Is Providing Equal Access

Consistent with FCC Rule 54.202(a)(5), Alltel hereby acknowledges that the FCC, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within one of its Designated Areas.

IV. ALLTEL'S ANNUAL REPORT IN ACCORDANCE WITH SECTION 54.209(a)

FCC Rule 54.209(a) requires a common carrier previously designated by the Commission as an ETC to annually report certain additional information no later than October 1 of each calendar year. Alltel respectfully submits the following information in satisfaction of the Commission's annual reporting requirement.

A. Progress Report on its Service Improvement Plan

FCC Rule 54.209(a)(1) requires an ETC to file a progress report on its Service Improvement Plan. The Service Improvement Plan covers the time period from January 1, 2006 through December 31, 2010. The information within **Confidential Exhibit B, Appendix 1** provides projected expenditure data for 2006 through 2010, and thus reflects Alltel's progress on the Service Improvement Plan through that date.

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In addition, when adopting the new annual reporting rules, the Commission required a carrier that had not previously filed a Service Improvement Plan to include a description of improvements or upgrades it has made since the date of its initial designation.⁸ Detailed service improvements with completed and unaudited financial information regarding Alltel's capital expenditures and operating expenses for the period January 1, 2004 through December 31, 2005, are contained in **Confidential Exhibit B, Appendices 2 and 3** with summary information contained in **Confidential Exhibit D**. **Confidential Exhibit D** also contains public information regarding the amount of federal universal service support received by Alltel in 2005 and 2004.

B. Network Outages In Georgia Designated Areas

FCC Rule 54.209(a)(2) requires an ETC to annually report network outages within its Designated Areas. FCC Rule 54.209(a)(2) specifically requires:

detailed information on any outage, as that term is defined in 47 C.F.R. § 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (a) at least ten percent of the end users served in a designated service area; or (b) a 911 special facility, as defined in 47 C.F.R. § 4.5(e). Specifically, the eligible telecommunications carrier's annual report must include information detailing: (a) the date and time of onset of the outage; (b) a brief description of the outage and its resolution; (c) the particular services affected; (d) the geographic areas affected by the outage; (e) steps taken to prevent a similar situation in the future; and (f) the number of customers affected.

This information, for the time period January 1, 2005 through December 31, 2005, is contained within **Confidential Exhibit E**. Alltel has compiled and reported information for all outages, as defined in 47 C.F.R. § 4.5, of at least 30 minutes in duration occurring within its Virginia Designated Areas. Such information includes, but is not limited to, any outage that may potentially affect at least ten percent (10%) of its customers served in a service area. Similarly,

⁸ *March 17 Order*, ¶ 69 n.191.

the information relating to the number of customers affected by an outage is estimated based on the number of customers with a billing address in the wire center as of June 30, 2005. The exact number of customers affected would be dependent upon the number of call attempts during the service disruption, which is not capable of being ascertained.

C. Unfulfilled Requests For Service

FCC Rule 54.209(a)(3) requires an ETC to annually report the number of requests for service from potential customers within the ETC's designated service areas that were unfulfilled during the past year. The filing must also detail how the ETC attempted to provide service to those potential customers as set forth in FCC Rule 54.202(a)(1)(i). The required information concerning Alltel's unfulfilled requests for service within its Designated Areas from January 1, 2005 through December 31, 2005 is contained in **Exhibit F**.

D. Complaints Per 1,000 Handsets Or Lines

FCC Rule 54.209(a)(4) requires an ETC to make an annual report of the number of complaints per 1,000 handsets or lines. The number of complaints per 1,000 handsets for its Designated Areas which Alltel has received from the Georgia Commission, FCC, Georgia Attorney General, the Better Business Bureau or similar third party consumer agency between January 1, 2005 and December 31, 2005 is 0.284903. The number of complaints is calculated based on the number of subscribers in the Designated Areas as of December 31, 2005.

E. Certification Regarding Applicable Service Quality Standards And Consumer Protection Rules

FCC Rule 54.209(a)(5) requires an ETC to certify that it is complying with applicable service quality standards and consumer protection rules. Alltel's compliance with the CTIA Consumer Code satisfies this requirement. As noted above, Alltel is a signatory to the CTIA

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Code. *See supra* Section III(D). Alltel certifies that it is in compliance with these consumer protection and service quality standards.

F. Certification Regarding Its Provision Of A Comparable Local Usage Plan

FCC Rule 54.209(a)(7) requires an ETC to certify that it is offering a local usage plan comparable to the incumbent LEC in the relevant service areas. As noted above, Alltel makes available comparable service offerings in its Designated Areas. *See supra* Section III(E). Alltel certifies that it is offering at least one comparable local usage plan as required by Section 54.209(a)(7).

G. Certification Regarding The FCC's Ability To Provide Equal Access

Alltel certifies that the FCC, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers within one of its Designated Areas in the event that no other ETC is providing equal access.

V. CONCLUSION

Based on the foregoing information, Alltel respectfully requests the FCC and USAC to certify the Company's eligibility to receive federal universal service support for calendar year 2007 in accordance with 47 C.F.R. §§ 54.313 and 54.414.

September 29, 2006

Alltel Communications, Inc.

Gene DeJordy
Vice President, Regulatory Affairs
Alltel Communications, Inc.
1 Allied Drive
Little Rock, AR 72202
Phone: (501) 905-0787

Attorney for Alltel Communications, Inc.

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SUMMARY OF EXHIBITS

Exhibit A—List of wire centers where Alltel is designated an ETC

Confidential Exhibit B – Service Improvement Plan for the State of Georgia

Confidential Exhibit B, Appendix 1 – Service Improvement Plan (Detailed Spreadsheet)

Confidential Exhibit B, Appendix 2 – Summary of Expenditures in 2005

Confidential Exhibit B, Appendix 3 – Summary of Expenditures in 2004

Confidential Exhibit B, Appendix 4 – Coverage Map

Exhibit C – Alltel Service Plans in Georgia

Confidential Exhibit D – 2005 and 2004 Universal Service Support and Expenditures

Confidential Exhibit E – Outage Report for January 1, 2005 – December 31, 2005

Confidential Exhibit F – Unfulfilled Requests for Service for January 1, 2005 – December 31, 2005

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EXHIBIT A

ETC WIRE CENTER LIST

See attachment

Alltel Communications, Inc.

Exhibit A

ETC Designated Service Area - State of Georgia

ILEC Name	Wirecenter Name	CLLI Code
SOUTHERN BELL-GA	ALBANY	ALBYGAMA
	APPLING	APNGGAES
	ARLINGTON	ARTNGAES
	AUGUSTA	AGSTGAU
	AUGUSTA	AGSTGAFL
	AUGUSTA	AGSTGAMT
	AUGUSTA	AGSTGATH
	BACONTON	BCTNGAMA
	BAINBRIDGE	BNBRGAMA
	BAXLEY	BXLYGAES
	BLACKSHEAR	BLCSGAES
	CAMILLA	CMLLGAMA
	CLAXTON	CXTNGAMA
	COCHRAN	CCHRGAMA
	COLQUITT	CLQTGAES
	CORDELE	CORDGAMA
	DUBLIN	DBLNGAMA
	EASTMAN	ESMNGAES
	GIBSON	GBSNGAES
	HARLEM	HRLMGAMA
	HAZLEHURST	HZLHGAMA
	HEPHZIBAH	HPHZGAES
	JOHNSON CORNER	JHCRGAES
	LEARY	LERYGAMA
	LEESBURG	LSBGAMA
	LK PK	LKPKGAMA
	LOUISVILLE	LSVLGAMA
	LUMBER CITY	LMCYGAMA
	LYONS	LYNSGAMA
	MILLEN	MLLNGAMA
	NEWTON	NWTNGAHD
	PELHAM	PLHMGAMA
	POOLER	POLRGAMA
	SANDERSVILLE	SNVLGAES
	SARDIS	SRDSGAES
	SAVANNAH	SVNHGABS
	SAVANNAH	SVNHGADE
	SAVANNAH	SVNHGAGC
	SAVANNAH	SVNHGASI
	SAVANNAH	SVNHGAWB
	SAVANNAH	SVNHGAWI
	SMITHVILLE	SMVLGAMA
	SPARKS	SPRKGAMA
	SWAINSBORO	SWBOGAES
	SYLVESTER	SYLVGAES

ILEC Name	Wirecenter Name	CLLI Code
SOUTHERN BELL-GA	THOMASVILLE	THVLGAMA
	THOMSON	THSNGAMA
	TIFTON	TFTNGAMA
	TYBEE IS	TBISGAMA
	VALDOSTA	VLDSGAMA
	VIDALIA	VDALGAMA
	WADLEY	WDLYGAMA
	WARRENTON	WRTNGAMA
	WAYCROSS	WYCRGAMA
	WAYNESBORO	WYBOGAES
	WRENS	WRNSGAMA
	WRIGHTSVILLE	WGVLGAES

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CONFIDENTIAL EXHIBIT B

ALLTEL SERVICE IMPROVEMENT PLAN AND APPENDICES

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EXHIBIT B

**SERVICE IMPROVEMENT PLAN FOR THE STATE OF GEORGIA
ON BEHALF OF ALLTEL COMMUNICATIONS, INC.**

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I. INTRODUCTION

Alltel Communications (“Alltel” or “the Company”) submits the following Service Improvement Plan and progress report pursuant to the standards established by the Federal Communications Commission (“Commission”).¹ The service quality improvement plan is required under Sections 54.202(a)(1)(ii) and 54.209(a)(1) of the Commission’s universal service rules. Alltel has been designated by the Commission as a competitive eligible telecommunications carrier (“ETC”) for certain service areas within the State of Georgia (the “Designated Areas”).²

As required by the *March 17 Order*, FCC Rule 54.202(a)(1)(ii) requires the submission of a Service Improvement Plan setting forth projected uses of high-cost universal service support for improvements or upgrades to the carrier’s network on either a wire center-by-wire center basis. FCC Rule 54.202(a)(1)(ii) further requires an applicant to describe how signal quality, coverage or capacity will improve due to the receipt of high-cost universal service support.

As set forth in the Commission’s Rules, a common carrier previously designated by the Commission as an ETC must submit the information required by Section 54.202(a) no later than October 1, 2006.³ In compliance with FCC Rules 54.202(a)(1)(ii), the Service Improvement Plan set forth below describes Alltel’s projected use of federal high-cost universal service

¹ *Federal-State Joint Board on Universal*, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371 (2005) (“*March 17 Order*”).

² *Federal-State Joint Board on Universal Service; ALLTEL Communications Inc., Petitions for Designation as an Eligible Telecommunications Carriers in the States of Alabama, Florida, Georgia, North Carolina, and Virginia*, Order, 19 FCC Rcd 20496 (WCB 2004) (“*Alltel Non-Rural Designation Order*”).

³ 47 C.F.R. § 54.202 (b).

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support for the period January 1, 2006 through December 31, 2010 for the provision, maintenance and upgrading of facilities and services for which the support is intended in the Designated Areas.

II. PROJECTED HIGH-COST SUPPORT

Pursuant to Section 254(e) of the Telecommunications Act of 1996 (the “Act”), a carrier eligible to receive federal high-cost universal service support shall use such support “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.” Consistent with Section 254(e) and FCC Rules 54.7, 54.313 and 54.314, Alltel hereby certifies that all federal high-cost universal service support received will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Based on the most recent per-line support projections of the Universal Service Administrative Company (“USAC”), Alltel currently estimates that it will receive approximately \$5.4 million in federal universal service for calendar year 2006 and in each of the next four years that the Service Improvement Plan covers . The total projected amount of high-cost support used to develop the Service Improvement Plan is approximately \$27 million. The actual amount of high-cost universal service support received by the Company for either year may vary from this estimate as universal service support levels and subscribership change over time. Particularly if the projected amount of support is not received, Alltel reserves the right to modify its Service Improvement Plan accordingly.

III. SERVICE IMPROVEMENTS

Alltel has identified certain facility construction and service quality or capacity projects that are intended to expand coverage and improve service quality within its Designated Areas in the State of Georgia. Attached as **Confidential Exhibit B, Appendix 1** is a spreadsheet

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describing the types of facilities or improvements, locations, estimated population covered,⁴ projected budget and estimated deployment schedule for each of the projected improvements. Alltel will use federal high-cost universal service support to assist it in completing these improvements for purposes of expanding and improving its services in the Designated Areas.

The selection of these facility construction projects and service improvements is based on Alltel's evaluation of numerous factors, including current consumer demand, competitive forces, available capital, projected high-cost support and others. It is also based on the Company's evaluation of where current network facilities could be improved to provide better service and where current and projected consumer demand may require increased capacity. As these factors change, Alltel will reevaluate and modify its projected service improvements accordingly. The order in which these facilities and improvements are deployed has not been finally determined and will be revised over time.

Detailed service improvements with completed and unaudited financial information regarding Alltel's capital expenditures and operating expenses for the period between January 1, 2004 and December 31, 2005 are contained in **Confidential Exhibit B, Appendices 2 and 3** with summary information in **Confidential Exhibit D**. **Confidential Exhibit D** also contains public information regarding the amount of federal universal service support received by Alltel in 2005 and 2004.

⁴ Alltel has estimated the population covered based on data contained in MapInfo™ mapping software. For upgrades and improvements allocated to a particular facility location, Alltel has identified the estimated population of the wire center where the facility is physically located.

IV. OPERATING EXPENSES

Since Alltel first began providing service in the State of Georgia, the Company has developed a robust network throughout its licensed service areas and currently provides service to a substantial number of subscribers within its Designated Areas. Attached as **Confidential Exhibit B, Appendix 1** is a brief description of the types and locations of facilities the Company currently operates that serve the State of Georgia.

Alltel's projected service coverage, quality and capacity improvements set forth in the Service Improvement Plan represent a substantial capital investment in new facilities and services based on the projected receipt of federal high-cost universal service support. Pursuant to Section 254(e) of the Act, the Company will utilize the federal high-cost universal service support it receives to operate, maintain and upgrade these network facilities and services consistent with the universal service objective of providing quality telecommunications services in rural and high-cost areas and to low-income subscribers. Included in **Confidential Exhibit B, Appendix 1** is a description of the projected operational costs associated with the provision of service and maintenance of facilities within the Company's Designated Areas in Georgia.

V. ANNUAL PROGRESS REPORT

Due to changes in consumer demand, regulatory requirements, technology improvements in the wireless telecommunications industry and other factors, Alltel's Service Improvement Plan is subject to modification and amendment. In addition, the Company's proposed deployment schedule may be adjusted depending upon the amount of federal high-cost universal service support it receives and the timing of its receipt of such support. Construction of the Company's projected network facilities and completion of other upgrades is based on its estimates of projected expenses, the per-line support available and the number of current subscribers in the Designated Areas. Should the Company's actual expenses, per-line support amount or the

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number of its subscribers change, it may require more time to complete the proposed service improvements.

Although Alltel's proposed Service Improvement Plan may change over time, it will continue to provide service throughout its Designated Areas to all customers upon reasonable request. Alltel will continue to respond to consumer demand and is fully committed to taking additional steps to ensure quality service. As required FCC Rule 54.209(a)(1), Alltel will file a progress report on its five-year Service Improvement Plan on or before October 1, 2007.