

# STATE OF ALASKA

DEPARTMENT OF COMMERCE  
COMMUNITY AND ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA

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October 30, 2006

Marlene H. Dortch  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, D.C. 20554

Karen Majcher  
Vice President – High Cost  
& Low Income Division  
Universal Service Administrative Company  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036

**Re: CC Docket No. 96-45  
Universal Service Support Certification (47 C.F.R. §§ 54.313-54.314)**

Ms. Dortch and Ms. Majcher:

This letter is submitted pursuant to 47 C.F.R. §§ 54.313 and 54.314, which require States to annually certify the use of federal universal service support as a prerequisite for continued receipt of funding by eligible telecommunications carriers ("ETC"). The Regulatory Commission of Alaska ("RCA") governs local services and rates in Alaska and is the appropriate authority to issue the certification required under Sections 54.313 and 54.314.

By Order dated September 15, 2006, the RCA designated Cordova Wireless Communications, Inc. ("CWCI") as an ETC in study areas served by Cordova Telephone Cooperative, Inc. pursuant to 47 U.S.C. § 214(e)(2). The RCA's Order designating CWCI as an ETC is enclosed herewith as **Exhibit A**. Although CWCI is a non-regulated wireless carrier, the RCA has directed CWCI to file annual certifications with it concerning the Company's use of universal service support. The RCA will regularly review CWCI's responses in this area.

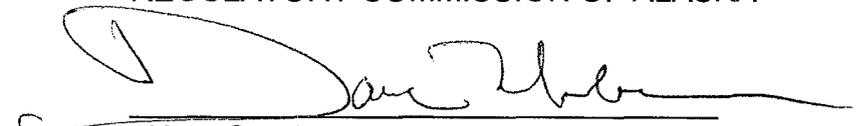
This letter serves as a supplement to the RCA's 2006 annual certification to the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") dated September 19, 2005. CWCI was designated as an ETC on September 15, 2006 – after the certification deadlines set forth in 47 C.F.R. §§ 54.313(d) and 54.314(d) to allow the Company to receive high-cost universal service support beginning in the first quarter of the 2006 calendar year.



Pursuant to new FCC Rules 54.313(d)(3)(vi) and 54.314(d)(6), the RCA must certify CWCI's use of support to the FCC and USAC within sixty (60) days of the Company's ETC designation to ensure that CWCI is eligible to receive high-cost universal service support commencing the date of its ETC designation.

CWCI has certified to the RCA that all federal high-cost universal service support received by CWCI in Alaska for the above service areas will be used pursuant to 47 U.S.C. § 254(e). Accordingly, the RCA declares that, to the best of its knowledge and belief, all federal high-cost support to be received by CWCI in the State of Alaska in calendar year 2006 will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act. In certifying CWCI's use of support in the State of Alaska for the 2006 calendar year, we intend for the company to receive high-cost federal universal service support effective the date of its designation – September 15, 2006.

REGULATORY COMMISSION OF ALASKA



Kate Giard  
Chairman

**EXHIBIT A**

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Kate Giard, Chairman  
Dave Harbour  
Mark K. Johnson  
Anthony A. Price  
Janis W. Wilson

In the Matter of the Application by Cordova )  
Wireless Communication, Inc. for Designation as )  
Designation as a Carrier Eligible to Receive )  
Federal Universal Service Support Under the )  
Telecommunications Act of 1996 )

U-06-59

ORDER NO. 2

**ORDER APPROVING APPLICATION FOR ELIGIBLE TELECOMMUNICATIONS  
CARRIER STATUS, AND REQUIRING FILINGS**

BY THE COMMISSION:

Summary

We approve the application<sup>1</sup> filed by Cordova Wireless Communications, Inc. (CWCI) for status as an eligible telecommunications carrier (ETC) for purposes of receiving federal and state universal service funding throughout the study area served by Cordova Telephone Cooperative, Inc. (CTCI). We require CWCI to file information annually describing its use of universal service funds (USF). We require CWCI to file certification, supported by an affidavit, demonstrating that it will advertise its services. We require CWCI to report any instance in which it is incapable of providing service to any customer upon reasonable request, and any instance in which it is unable to provide E911 service to a PSAP<sup>2</sup> upon request. We defer the request filed by CWCI for

<sup>1</sup>*Cordova Wireless Communication, Inc.'s Application for Designation as an Eligible Telecommunications Carrier*, filed on June 7, 2006 (Application).

<sup>2</sup>Public Safety Answering Point.

1 certification as an ETC for 2006 with the Federal Communications Commission (FCC)  
2 and the Universal Service Administrative Company (USAC).

3 Background

4 CWCI submitted an application for designation as an ETC for purposes of  
5 receiving all available support from federal and state universal service funding in the  
6 area served by CTCI. On June 9, 2006, CWCI filed the original signed affidavit<sup>3</sup> of Paul  
7 Kelley, General Manager, and a revised map.<sup>4</sup> We noticed CWCI's application to the  
8 public on June 19, 2006.<sup>5</sup> We received one comment in support of the application.<sup>6</sup>

9 We issued Letter Order L0600554<sup>7</sup> requiring CWCI to file additional  
10 information regarding CWCI's partnership with McCaw Communications of Anchorage,  
11 Inc. (McCaw) and its ownership interest in Cordova Wireless. CWCI filed supplemental  
12 information in response to L0600554 and requested that we certify with the Federal  
13 Communications Commission (FCC) and the Universal Service Administrative  
14 Company (USAC) its use of federal high-cost universal service support for calendar  
15 year 2006.<sup>8</sup> CWCI filed a revision to its proposed local usage minutes for Lifeline  
16 customers.<sup>9</sup>

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19 <sup>3</sup>*Notice of Filing Original Affidavit of Paul Kelley (Affidavit)*, filed on June 9, 2006

20 <sup>4</sup>*Errata to June 7, 2006, Filing*, file on June 9, 2006. CWCI had filed in its  
Application a reduced size of its geographic service area and CTC's service area.

21 <sup>5</sup>Notice of Utility Application, dated June 19, 2006.

22 <sup>6</sup>Letter from Scott Hahn, filed July 13, 2006.

23 <sup>7</sup>Letter Order LO600554, dated August 15, 2006.

24 <sup>8</sup>*Supplement to Application for Designation as an Eligible Telecommunications*  
Carrier to Request USF Certification for 2006, filed on September 7, 2006 (Certification  
Request).

25 <sup>9</sup>*Second Supplement to Application for Designation as an Eligible*  
26 *Telecommunications Carrier*, filed on September 14, 2005 (Second Supplement).

1 Discussion

2 ETCs are eligible to receive support to provide, maintain, and upgrade  
3 facilities and services for which the support is intended.<sup>10</sup> Under the  
4 Telecommunications Act of 1996 (the Act),<sup>11</sup> state commissions may decide whether  
5 requests for ETC designation should be granted.<sup>12</sup> Under federal law, an ETC must  
6 provide the supported universal telecommunications services throughout a defined  
7 service area.<sup>13</sup> In addition, the applicant must meet the following criteria for ETC status:  
8 (a) demonstrate that it owns some facilities; (b) demonstrate that it is capable and  
9 committed to providing the nine basic services required by FCC regulation;<sup>14</sup>  
10 (c) reasonably show that granting designation as an ETC is in the public interest; and

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<sup>10</sup>47 U.S.C. § 254(e).

23 <sup>11</sup>Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996),  
24 amending the Communications Act of 1934, 47 U.S.C. §§ 151 *et seq.*

25 <sup>12</sup>47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201.

26 <sup>13</sup>47 C.F.R. § 54.201(d).

<sup>14</sup>The nine basic services are defined at 47 C.F.R. § 54.101.

1 (d) show that, upon obtaining ETC status, the applicant will be able to offer and will  
2 advertise the availability of the services supported by the federal USF.<sup>15</sup>

3 Ownership of Facilities

4 CWCI currently is licensed to provide cellular service, serving  
5 approximately 350 customers in the CTCL study area.<sup>16</sup> CWCI provides services  
6 through an Advance Mobile Phone System (AMPS), a first generation analog cellular  
7 system. CWCI provided the locations and status of its currently operational cell sites.<sup>17</sup>  
8 CWCI indicated that it also owns facilities under its partnership agreement with  
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13 <sup>15</sup>47 U.S.C. § 214(e)(1) and (2) of the Act provides:

14 (1) Eligible telecommunications carriers A common carrier  
15 designated as an eligible telecommunications carrier under paragraph (2),  
16 (3), or (6) shall be eligible to receive universal service support in  
accordance with section 254 of this title and shall, throughout the service  
area for which the designation is received –

17 (A) offer the services that are supported by Federal universal  
18 service support mechanisms under section 254(c) of this title, either using  
19 its own facilities or a combination of its own facilities and resale of another  
20 carrier's services (including the services offered by another eligible  
21 telecommunications carrier); and

(B) advertise the availability of such services and the  
22 charges therefore using media of general distribution.

23 (2) Designation of eligible telecommunications carriers . . . Before  
24 designating an additional eligible telecommunications carrier for an area  
25 served by a rural telephone company, the State commission shall find that  
the designation is in the public interest.

26 <sup>16</sup>CWCI is a licensee of Cellular Radiotelephone Service Station WPYE240, on  
Frequency Block A cellular system serving the Alaska 2-Bethel Rural Service Area.

<sup>17</sup>CWCI has cell sites in Johnstone Point, Flag Point. In addition, the FCC has  
approved CWCI's application to construct an additional cell site at Naked Island.

1 McCaw.<sup>18</sup> CWCI provided maps showing its current coverage area in relation to its  
2 proposed ETC service area.<sup>19</sup> While CWCI's current facilities do not cover the entire  
3 CVTC service area, CWCI stated that access to federal and state USF will enable it to  
4 upgrade and extend its network. CWCI's lack of facilities throughout the proposed ETC  
5 service areas at this time does not, in and of itself, make CWCI ineligible for ETC status.  
6 We determine that CWCI has demonstrated that it meets the ownership of facilities test.

7 Capability and Commitment

8 CWCI must demonstrate its ability to provide each of the nine basic  
9 services designated by the FCC, including Lifeline and Link Up services,<sup>20</sup> or obtain a  
10 waiver.<sup>21</sup> Although section 214(e)(1) of the Act requires an ETC to "offer" the services  
11 supported by the federal universal service support mechanisms, this does not require a  
12 competitive carrier to actually provide the supported services throughout the designated  
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18 <sup>18</sup>CWCI entered into an agreement with McCaw, referred to in the agreement as  
19 AT&T Wireless, to form Cordova Wireless. Cordova Wireless is authorized to provide  
20 cellular radio service under the call sign WPOL372, with two operational cell sites at  
21 Tripod Hill and Heney Ridge in Cordova, Alaska. AT&T Wireless has filed an  
22 application with the FCC to transfer its ownership interest in Cordova Wireless to  
23 Cingular Wireless Corporation (Cingular). The application to transfer ownership to  
24 Cingular is currently pending.

25 <sup>19</sup>Application at Exhibit B.

26 <sup>20</sup>Link Up described at 47 C.F.R. § 54.411(a), and Lifeline described at  
47 C.F.R. § 54.401(a).

<sup>21</sup>The FCC allows a state commission to grant waiver of the requirement to  
provide single-party access to Enhanced 911 (E911), and toll limitation services to allow  
additional time for a carrier to complete network upgrades necessary to provide service.  
47 C.F.R. § 54.101(c).

1 service area before designation as an ETC.<sup>22</sup> CWCI must demonstrate its commitment  
2 and plans to provide the supported services using either its own facilities or a  
3 combination of its own facilities and resale.

4 In its application, CWCI stated that it currently offers all nine basic  
5 services to its existing customers and is committed to providing the services, including  
6 Lifeline and Link Up services, throughout the CTCL study area upon receiving USF.<sup>23</sup>  
7 CWCI stated it will provide these services using either its own facilities or resale of  
8 another carrier's services. CWCI certified that it currently provides voice grade access  
9 to the public switched network through interconnection arrangements with the local  
10 telephone company, offers different rate plans that offer "local usage,"<sup>24</sup> provides dual-  
11 tone multi-frequency signaling, single party service, access to operator services, access  
12 to interexchange services, access to directory services, access to basic emergency  
13 services,<sup>25</sup> and can readily implement toll-limitation for qualifying low-income  
14 customers.<sup>26</sup>

15 CWCI provides basic 911 service to its customers by routing 911 calls  
16 over a dedicated trunk to a local PSAP equivalent, the Cordova Police Department.  
17 However, CWCI is not capable of providing enhanced 911 (E911) services. CWCI  
18 proposed system upgrades that will enable it to meet the federal E911 requirements  
19 within a specific timeframe. Since CWCI currently provides basic 911 service and

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20 <sup>22</sup>*Federal-State Joint Board on Universal Service; Western Wireless Corporation*  
21 *Petition for Preemption of an Order of the South Dakota Public Utilities Commission,*  
22 *Declaratory Ruling, CC Docket No. 96-45, 15 FCC Rcd 15168, 15172-73 (2000).*

23 <sup>23</sup>Application at 9-10.

24 <sup>24</sup>Application at 11.

25 <sup>25</sup>Access to emergency services includes access to services, such as 911 and  
E911, provided by local governments or other public safety organizations.  
47 C.F.R. § 54.101(a)(5).

26 <sup>26</sup>Application at 10-15 and Exhibit C, and Affidavit of Paul Kelley

1 stated it has not received a request for E911 service from a local PSAP, CWCI is  
2 providing 911 service to the extent the local government has implemented 911 systems  
3 and thus meets the requirements for ETC status.<sup>27</sup> However, failure to complete its  
4 proposed system upgrades could result in CWCI being unable to accommodate a future  
5 PSAP request for E911 service. Should this situation arise, we may be compelled to  
6 reevaluate CWCI's eligibility for ETC status. Accordingly, we place two conditions on  
7 our approval of CWCI's application. First, we require CWCI to notify us if it petitions the  
8 FCC for waiver of E911 service requirements. Second, we require CWCI to notify us if  
9 it receives a request for E911 service from a local PSAP and cannot provide that  
10 service. CWCI's report should include the PSAP request, whether or not CWCI  
11 considers the request to be valid, and an explanation of steps CWCI would need to  
12 pursue to provide the E911 service.

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<sup>27</sup>47 C.F.R. § 54.101(a)(5) and 47 CFR 20.18(j).

1 CWCI adopted the seven-step approach<sup>28</sup> to meet its ETC obligations<sup>29</sup> to  
2 offer services, upon reasonable request, throughout the proposed service areas,  
3 including areas where it does not currently have facilities.<sup>30</sup> If it is unable to provide  
4 service upon reasonable request without constructing a new cell site, CWCI stated that  
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6 <sup>28</sup>The seven-step plan for serving customers:

7 a) if CWCI can serve within its existing network, CWCI will  
8 immediately serve the customer;

9 b) if the customer is not in an area where CWCI currently provides  
10 service, CWCI will:

11 Step 1: determine whether the customer's equipment  
12 can be modified or replaced to provide acceptable  
13 service;

14 Step 2: determine whether a roof-mounted antenna or  
15 other network equipment can be deployed at the  
16 premises to provide service;

17 Step 3: determine whether adjustments at the nearest  
18 cell site can be made to provide service;

19 Step 4: determine whether a cell-extender or repeater  
20 can be employed to provide service;

21 Step 5: determine whether there are any other  
22 adjustments to network or customer facilities that can  
23 be made to provide service;

24 Step 6: explore the possibility of offering the resold  
25 services of carriers with facilities available to that  
26 location;

Step 7: determine whether an additional cell site can  
be constructed to provide service, and evaluate the  
costs and benefits of using scarce high-cost support to  
serve the number of customers requesting service.

<sup>29</sup>Application at 17-18.

<sup>30</sup>We have accepted the seven step approach in other ETC application cases.  
See Docket U-06-40, *In the Matter of the Application by COPPER VALLEY WIRELESS, INC. for Designation as a Carrier Eligible to Receive Federal Universal Service Support Under the Telecommunications Act of 1996*; Docket U-05-89, *In the Matter of the Request by ACS Wireless, Inc. for Designation as a Carrier Eligible to Receive Federal Universal Service Support Under the Telecommunications Act of 1996*; Docket U-05-41, *In the Matter of the Application of Dobson Cellular Systems, Inc. for Designation as a Carrier Eligible to Receive Federal Universal Service Support under the Telecommunications Act of 1996*.

1 it will file a report with us estimating the cost of construction and stating its position on  
2 whether the request for service is reasonable.<sup>31</sup>

3 CWCI committed to complying with the Cellular Telecommunications  
4 Industry Association Consumer Code for Wireless Service (CTIA Consumer Code).<sup>32</sup>  
5 Additionally, CWCI committed to complying with requirements set forth in the FCC ETC  
6 Order<sup>33</sup> regarding the ability to remain functional in an emergency situation.<sup>34</sup>

7 We find that CWCI's strategy for providing service throughout its proposed  
8 ETC service area is reasonable. If CWCI is unable to provide service to a customer in  
9 response to a reasonable request, we require CWCI to report to us within 30 days of its  
10 determination. The report must state the reason service cannot be provided, possible  
11 solutions for providing service, estimated cost of any needed construction, CWCI's  
12 position on whether the request for service is reasonable, and whether high-cost funds  
13 should be expended on the request. We have imposed this requirement on other  
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17 <sup>31</sup>Application at 18.

18 <sup>32</sup>Application at 18-19. CTIA, Consumer Code for Wireless Service, available at  
19 [http://files.ctia.org/pdf/The\\_Code.pdf](http://files.ctia.org/pdf/The_Code.pdf). Under the CTIA Consumer Code, wireless  
20 carriers agree to: (1) disclose rates and terms of service to customers; (2) make  
21 available maps showing where service is generally available; (3) provide contract terms  
22 to customers and confirm changes in service; (4) allow a trial period for new service; (5)  
23 provide specific disclosures in advertising; (6) separately identify carrier charges from  
24 taxes on billing statements; (7) provide customers the right to terminate service for  
25 changes to contract terms; (8) provide ready access to customer service; (9) promptly  
26 respond to consumer inquiries and complaints received from government agencies; and  
(10) abide by policies for protection of consumer privacy.

<sup>33</sup>*Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report  
and Order*, FCC 05-46 (rel. March 17, 2005) at ¶¶ 20 - 36 (FCC ETC Order).

<sup>34</sup>CWCI stated that it has deployed at least eight hours of battery backup at each  
cell site to ensure functionality in case of a power loss. Application at 19-20.

1 ETCs.<sup>35</sup> We will address any CWCI reports of inability to provide service on a case-by-  
2 case basis. If CWCI unreasonably fails to serve customers in its designated service  
3 area, we may be compelled to reevaluate its eligibility for ETC status. Although we find  
4 that CWCI generally demonstrated that it would be capable of providing the nine basic  
5 services, we conclude that two of these services, access to emergency services and  
6 Lifeline and Link Up services, warrant further discussion.

7 Emergency Services

8 In the Non-Nationwide Carriers Order, the FCC provided deployment  
9 deadlines for wireless carriers implementing E911 emergency services and reporting  
10 requirements for Tier III<sup>36</sup> carriers.<sup>37</sup> The FCC set deadlines by which carriers  
11 employing handset-based and network-based location technology must sell and activate  
12 location capable handsets in their coverage areas.

13 CWCI initially planned to implement a handset-based location solution but  
14 requested waivers of certain FCC requirements regarding provisioning of E911  
15 services.<sup>38</sup> CWCI currently provides service through its analog AMPS cellular system,  
16 and is not capable of providing the Automatic Number Identification (ANI) and Automatic  
17 Location Identification (ALI) information required for E911 calls. The FCC denied

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19 <sup>35</sup>Order U-06-40(1), *Order Approving Application for Eligible Telecommunications*  
20 *Carrier Status, Requiring Filings, and Closing Docket*, dated August 2, 2006 at 8; Order  
21 *U-05-89(2), Order Affirming Electronic Rulings, Requiring Filings, and Finding Petitions*  
22 *to Intervene Moot*, dated April 11, 2006 at 13; Order U-04-110(1), *Order Granting*  
23 *Eligible Telecommunications Carrier Status and Requiring Filings*, dated November 18,  
24 2005 at 7, etc.

25 <sup>36</sup>Tier III wireless carriers are those serving fewer than 500,000 subscribers.

26 <sup>37</sup>*In the Matter of Revision of the Commission's Rules to Ensure Compatibility*  
*with Enhanced 911 Emergency Calling Systems, Phase II Compliance Deadlines for*  
*Non-Nationwide Carriers*, CC Docket No. 94-102, Order to Stay (Non-Nationwide  
Carriers Order), FCC 02-210 (rel. July 26, 2002) at 13, ¶ 34.

<sup>38</sup>*Cordova Wireless Petition for Waiver of Section 20.18(g) of the Commission*  
*Rules*, CC Docket No. 94-102, filed August 7, 2003.

1 CWCI's request for waiver because CWCI had not provided a specific implementation  
2 plan.<sup>39</sup> Consequently, CWCI notified the FCC that it would implement network-based  
3 location technology rather than handset-based solution.<sup>40</sup> CWCI stated that under  
4 47 C.F.R. § 20.18(f), a wireless carrier that implements a network-based solution has  
5 until October 1 2001, or within 6 months of a PSAP request, whichever is later, to  
6 provide E911 service. Although CWCI stated "no PSAP has made a request for Phase I  
7 or Phase II E911 service,"<sup>41</sup> CWCI stated that it is unable to comply with E911  
8 requirements without upgrading its system. CWCI filed a network improvement plan  
9 that would upgrade its network from AMPS to Global System for Mobile  
10 Communications (GSM) digital network. CWCI stated that, with USF support, it can  
11 meet the extended federal timelines.<sup>42</sup>

12 We find that CWCI has proposed a reasonable plan for upgrading its  
13 network to meet federal E911 requirements. We determine that ETC designation will  
14 enable CWCI to implement its plans so it is better positioned to comply with federal  
15 requirements and provide advanced service to its customers. However, we reiterate our  
16 requirement that CWCI report to us if it receives a request for E911 service from a local  
17 PSAP and is not able to provide the E911 service.

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20 <sup>39</sup>*In the Matter of Revision of the Commission's Rules to Ensure Compatibility*  
21 *with Enhanced 911 Emergency Calling Systems, Phase II Compliance Deadlines for*  
22 *Tier III Carriers*, CC Docket No. 94-102, Order (Tier III Order), FCC 05-79 (rel. April 1,  
23 2005) at 51, ¶ 138. CWCI was required to begin selling location-capable handsets by  
September 1, 2005, and was required to ensure that 100 percent of its newly sold and  
activated digital handsets were location-capable by December 31, 2005.

24 <sup>40</sup>*Report Regarding Phase II E911 Development of Cordova Wireless*, CC  
Docket No. 94-102, filed on July 14, 2005.

25 <sup>41</sup>Application at 12.

26 <sup>42</sup>*Id.* at 12-13.

1                    Lifeline and Link Up Services

2                    CWCI committed to providing Lifeline and Link Up services. CWCI stated  
3 that for its qualified customers CWCI will offer a basic Lifeline rate of one dollar for 500  
4 local usage minutes. Link Up customers will receive a fifty percent discount or up to  
5 \$22.50 for the service activation charge.<sup>43</sup> In addition, CWCI will provide up to \$70  
6 discount to qualified customers in compliance with 47 C.F.R. 54.411(a)(3).<sup>44</sup> CWCI  
7 stated that it will provide a \$38.50 discount to Lifeline customers.<sup>45</sup> CWCI stated it will  
8 comply with the eligibility criteria provided in 3 AAC 53.390(b) as a means test to  
9 offering Lifeline and Link Up assistance to customers.<sup>46</sup> We find that CWCI has  
10 adequately demonstrated its commitment to provide and administer Lifeline and Link Up  
11 services.

12                    Public Interest Determination

13                    We agree with the FCC's statement in its Virginia Cellular order that  
14 evaluation of the public interest requires review of a variety of factors and cannot simply  
15 rest on "increased competition."<sup>47</sup> We evaluate factors such as the availability of higher  
16 quality service, mobility, new service choices, affordable service, service to underserved  
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19                    <sup>43</sup>Application at 15-17. CWCI's activation fee varies from \$20.00 - \$45.00,  
20 depending on selected service commitment period. 47 C.F.R. 54.411(a)(1) requires  
21 ETCs to provide eligible customers fifty percent discount of the service activation fee or  
22 \$30.00, whichever is less. Second Supplement.

23                    <sup>44</sup>ETCs are required to provide additional discount of up to \$70 to qualified  
24 customers in Tribal lands, which includes the State of Alaska. 47 C.F.R. 54.411(a)(3).

25                    <sup>45</sup>Second Supplement at 2.

26                    <sup>46</sup>Application at 16-17.

<sup>47</sup>*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, FCC 03-338 (rel.  
January 22, 2004) (Virginia Cellular).*

1 and unserved customers, and improved public safety. CWCI stated that its designation  
2 as an ETC would promote these public interest factors.

3 CWCI presented plans for upgrading its network to GSM which would  
4 allow it to provide a stronger signal, increase network capacity, and offer advanced  
5 digital calling features.<sup>48</sup> CWCI stated that ETC designation would enable it to comply  
6 with the federal emergency requirements.<sup>49</sup>

7 CWCI asserted that system upgrades and the addition of cell sites would  
8 allow it to expand its wireless services to underserved and unserved areas. CWCI  
9 stated the upgrades would also increase network capacity and range. CWCI asserted  
10 that the upgrades would also allow it to comply with federal LNP<sup>50</sup> and E911  
11 requirements which it must be capable of meeting in 2007. CWCI asserted that these  
12 factors would improve public safety by providing better access to emergency services to  
13 its customers.<sup>51</sup> CWCI also claimed that designation as an ETC would make wireless  
14 services more affordable and low-income customers who otherwise would be unable to  
15 afford wireless service will be able to obtain service using the Lifeline and Link Up  
16 discounts.

17 We find that it is in the public interest to designate CWCI as an ETC.  
18 CWCI is the only provider of wireless services in some locations and we find it  
19 reasonable to allow CWCI access to USF support so that it may provide service to  
20 these customers. CWCI proposed a network improvement plan that will enable it to  
21 comply with federal requirements for access to essential emergency services. CWCI's

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23 <sup>48</sup>Application at 25-29, Exhibit D.

24 <sup>49</sup>CWCI stated that, absent USF support, it would be unable to upgrade its  
25 system to comply with federal E911 requirements and would be forced to discontinue  
26 operations. Application at 21-25.

<sup>50</sup>Local Number Portability (LNP).

<sup>51</sup>Application at 27.

1 proposed network improvement plan will provide other advantages such as improved  
2 system coverage and capacity, as well as access to advanced digital services.

3 CWCI committed to compliance with the CTIA Consumer Code and to  
4 reporting to us the number of consumer complaints per 1,000 handsets on an annual  
5 basis. We do not currently regulate the quality of service by CWCI, and we do not have  
6 sufficient evidence to define quality of service standards for wireless carriers. However,  
7 if we receive customer complaints, we may examine whether CWCI is meeting its ETC  
8 obligations throughout the service area.

### 9 Advertising Services

10 Section 214(e)(1)(B) of the Act requires an ETC to advertise the  
11 availability of the nine basic services, including Link Up and Lifeline and the charges for  
12 the services using "media of general distribution." We require ETC's to meet the  
13 following minimum advertising requirements to ensure appropriate and sufficient  
14 customer notification of its services.<sup>52</sup> CWCI agreed to comply with these  
15 requirements:<sup>53</sup>

- 16 1. once every two years, perform community outreach through  
17 appropriate community agencies by notifying those agencies of  
CWCI's available services;
- 18 2. once every two years, post a list of its services on a school or  
19 community center bulletin board in each of the utility's exchanges;
- 20 3. once a year, provide a bill stuffer indicating its available services; and
- 21 4. once a year, advertise its services through the newspaper circulated in  
the locations served by CWCI.

22 We require CWCI to file an affidavit detailing its compliance with the above  
23 minimum advertising requirements.

24 <sup>52</sup>In the following paragraphs addressing minimum advertising requirements,  
25 "services" refer to those services for which CWCI receives universal service support.  
CWCI need not advertise nonsupported services.

26 <sup>53</sup>Application at 20-21.

1 In summary, we find that CWCI adequately demonstrated its capability  
2 and commitment to meet the criteria for ETC status. We find that granting ETC status  
3 to CWCI is in the public interest and we approve CWCI's application.

4 Conditions on ETC Status

5 Annual Certification

6 We monitor the continued appropriate use of universal service funding in  
7 our rural markets by requiring annual certification by all designated ETCs, including  
8 wireless carriers. Accordingly, we require CWCI to file the same information required of  
9 all other rural ETCs in Alaska through our annual use-of-funds certification process.

10 Build-out Plans

11 CWCI provided its service improvement plans in its proposed service  
12 areas. CWCI stated that its build-out and service improvement plans will be made  
13 possible by the receipt of federal high-cost universal service support. We will monitor  
14 CWCI's progress in its network upgrade based on the build-out schedule provided in  
15 this application. We require CWCI to notify us in the event it is unable to provide  
16 service to a customer upon reasonable request as discussed in greater detail elsewhere  
17 in this order.

18 E911

19 As discussed above, we require CWCI to report to us if it receives a  
20 request for E911 service from a local PSAP if CWCI is not able to provide the service.

21 Rulemaking Docket for ETC Designation

22 We opened a rulemaking docket to investigate the adoption of rules  
23 pertaining to applications for ETC status.<sup>54</sup> Among other things, we will evaluate for use  
24 in our own proceedings the possible adoption of some or all of the minimum eligibility

25 \_\_\_\_\_  
26 <sup>54</sup>R-06-3 entitled, *In the Matter of the Consideration of Regulations Regarding the  
Designation of Eligible Telecommunications Carriers.*

1 criteria adopted by the FCC for designation of an ETC. For instance, the FCC stated  
2 that it would require an ETC applicant to submit a formal network improvement plan that  
3 demonstrates how universal service funds will be used to improve its service coverage,  
4 signal strength, or capacity.<sup>55</sup> The FCC determined that an ETC applicant should  
5 demonstrate its ability to remain functional in emergency situations, that it offer a local  
6 usage plan comparable to the one offered by the ILEC in the service area.<sup>56</sup>  
7 Additionally, the FCC set the analytical framework it would use to determine whether the  
8 applicant's ETC designation serves the public interest. We take notice that CWCI has  
9 agreed to comply with many of these FCC criteria even though we have not required it.  
10 We advise CWCI however that we may require existing ETCs to comply with the  
11 standards we adopt in our rulemaking docket.

12 ETC Certification

13 As a condition for receipt of 2006 federal subsidies in rural areas, the FCC  
14 requires us to submit a letter certifying that the regulated rural ETCs would appropriately  
15 use the funds.<sup>57</sup> As we require non-regulated wireless carrier ETCs to report annually  
16 their use of funds to us for our review, we include such carriers in our annual  
17 certification. Our certification of ETC use of 2006 funds was submitted to the FCC and  
18 to the USAC before CWCI was granted ETC status.<sup>58</sup>

19 CWCI requested that we file a supplemental certification of its designation  
20 as an ETC in the CTCL service areas to ensure its eligibility to receive federal high-cost  
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22 <sup>55</sup>FCC ETC Order ¶ 21.

23 <sup>56</sup>FCC ETC Order ¶¶ 68-72.

24 <sup>57</sup>47 C.F.R. § 54.314.

25 <sup>58</sup>See Letter to Marlene H. Dortch, FCC, and to Irene Flannery, USAC, dated  
26 September 19, 2005, in Docket U-05-58. Docket U-05-58 is entitled *In the Matter of the  
Commission Compliance with Federal Requirement to Certify Proper Use of 2006  
Federal Universal Service Funds by Telecommunications Carriers.*

1 universal service support as of the date of its ETC designation. With its request, CWCI  
2 also filed its Data Response and Affidavit certifying its use of support for the 2006  
3 calendar year.<sup>59</sup>

4 We defer the request for certification by CWCI for use of funds received in  
5 2006 with the FCC and AUSAC until it has filed the advertising requirements discussed  
6 above.

7 Final Order

8 This order constitutes the final decision in this phase of the proceeding.  
9 This decision may be appealed within thirty days of the date of this order in accordance  
10 with AS 22.10.020(d) and the Alaska Rules of Court, Rule of Appellate Procedure  
11 (Ak. R. App. P.) 602(a)(2). In addition to the appellate rights afforded by  
12 AS 22.10.020(d), a party has the right to file a petition for reconsideration as permitted  
13 by 3 AAC 48.105. If such a petition is filed, the time period for filing an appeal is then  
14 calculated under Ak. R. App. P. 602(a)(2).

15 ORDER

16 THE COMMISSION FURTHER ORDERS:

17 1. The application filed by Cordova Wireless Communications, Inc., for  
18 designation as a carrier eligible to receive federal and state universal service support  
19 under the Telecommunications Act of 1996 in the study areas of Cordova Telephone  
20 Cooperative, Inc., is approved.

21 2. By 4 p.m., October 5, 2006, Cordova Wireless Communications, Inc.  
22 shall file certification, supported by an affidavit, demonstrating that it will advertise its  
23 services as specified in the body of this order.

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26 <sup>59</sup>*Data Response and Affidavit*, filed September 14, 2006, in Docket U-06-59.

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3. The request filed by Cordova Wireless Communications, Inc. for certification as an eligible telecommunications carrier for 2006 with the Federal Communications Commission and the Universal Service Administrative Company is deferred as discussed in the body of this order.

4. Cordova Wireless Communications, Inc. shall file a report, as described in the body of this order, if it receives a request for E911 service from a PSAP and is unable to provide the required service.

5. Cordova Wireless Communications, Inc. shall report to us of any instance in which it does not provide service to a customer in its service area upon reasonable request

6. Cordova Wireless Communications, Inc. shall advertise the supported services, including Lifeline and Link Up services, in accordance with the minimum criteria described in the body of this order.

7. Cordova Wireless Communications, Inc. shall file as if it were a regulated carrier in response to our requests for information for the annual use-of-funds certification to the Federal Communications Commission.

DATED AND EFFECTIVE at Anchorage, Alaska, this 15th day of September, 2006.

BY DIRECTION OF THE COMMISSION  
(Commissioners Mark K. Johnson and  
Anthony A. Price, not participating.)

( S E A L )