



DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Sarah Palin, Governor*  
*Emil Notti, Commissioner*  
*Anthony A. Price, Chairman*

Regulatory Commission of Alaska

August 1, 2007

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)**

Dear Ms. Dortch and Ms. Majcher:

This letter is submitted pursuant to 47 C.F.R. §§ 54.313 and 54.314, both of which require state regulatory commissions to annually certify the use of federal universal service support as a prerequisite for continued receipt of funding by eligible telecommunications carriers (“ETCs”). 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 June 27, 2007, the RCA designated Unicom, Inc. (“Unicom”) as an ETC in the study area served by United-KUC, Inc. pursuant to 47 U.S.C. § 214(e)(2).<sup>1</sup> The RCA’s Order designating Unicom as an ETC is enclosed herewith as **Exhibit A**. Although Unicom is a non-regulated wireless carrier, the RCA has directed

---

<sup>1</sup> In this instance, the “study area” referred to is the study area used for state purposes and is equivalent to United-KUC, Inc.’s certificated service area. It is not intended to include the certificated service area of United Utilities, Inc.

Unicom to file annual certifications with it concerning the Company's use of universal service support.<sup>2</sup>

This letter serves as a supplement to the RCA's 2007 annual certification to the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") dated September 29, 2006. Unicom was designated as an ETC in the study area of United-KUC, Inc. on June 27, 2007 – after the annual certification deadlines set forth in 47 C.F.R. §§ 54.313(d) and 54.314(d) to allow Unicom to receive high-cost universal service support in 2007.

Pursuant to new FCC Rules 54.313(d)(3)(vi) and 54.314(d)(6), the RCA must certify Unicom's use of support to the FCC and USAC within sixty (60) days of the carrier's ETC designation to ensure that Unicom is eligible to receive high-cost universal service support commencing the date of its ETC designation and for the remainder of 2007.

Unicom has certified to the RCA that all federal high-cost universal service support received by it in Alaska for the above ETC service area 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 Unicom in the State of Alaska in calendar year 2007 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. Accordingly, the RCA certifies Unicom's use of support in the State of Alaska for the 2007 calendar year so that the company may receive high-cost federal universal service support effective the date of its designation – June 27, 2007.

REGULATORY COMMISSION OF ALASKA



Anthony A. Price  
Chairman

Attachment

---

<sup>2</sup> The RCA has opened a proceeding to consider whether rural wireless ETC, such as Unicom, are no longer required to file annual certification with the RCA in light of the current federal law that requires rural wireless ETCs to self certify directly to the FCC that funds will only be used for their intended purposes.

**EXHIBIT A**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Background

Unicom requested<sup>1</sup> designation as an ETC in the study area served by United-KUC.<sup>2</sup> We found Unicom's Request incomplete and required additional information.<sup>3</sup> Unicom submitted supplemental filings on March 12 and March 23, 2007.<sup>4</sup> We notice issued public of Unicom's Request to the public on March 28, 2007. We received no comment.

On April 12, 2007 we requested additional information concerning Unicom's calling plans, seven step plan, and USF use.<sup>5</sup> Unicom filed the requested information on May 3, 2007.<sup>6</sup>

Discussion

ETC status allows a carrier to receive support from federal and state universal service funding to provide, maintain, and upgrade facilities and services for which the support was intended.<sup>7</sup> Under the Telecommunications Act of 1996 (the

---

<sup>1</sup>Unicom, Inc. Request for Designation as an Eligible Telecommunications Carrier, filed February 9, 2007 (Request).

<sup>2</sup>Unicom and United-KUC are affiliated entities.

<sup>3</sup>Order U-07-18(2), Order Finding Request Incomplete and Requiring Filings, dated March 5, 2007; and Order U-07-18(3), Order Finding Maps Inadequate and Requiring Filings, dated March 20, 2007.

<sup>4</sup>Unicom, Inc. Supplemental Filing to the Request for Designation as an Eligible Telecommunications Carrier, filed March 12, 2007 (Supplemental Filing); and Unicom, Inc. Second Supplemental Filing to the Request for Designation as an Eligible Telecommunications Carrier, filed March 23, 2007 (Second Supplemental Filing).

<sup>5</sup>Letter Order No. L0700128, dated April 12, 2007.

<sup>6</sup>Letter from S. Schillinger, filed May 3, 2007 (Response).

<sup>7</sup>47 U.S.C. § 254(e).

1 Act),<sup>8</sup> a state commission designates a common carrier as an ETC.<sup>9</sup> Under federal law,  
2 an ETC must provide the supported universal telecommunications services throughout  
3 a defined service area.<sup>10</sup> In addition, the requesting carrier must meet the following  
4 criteria for ETC status: (a) demonstrate that it owns some facilities; (b) demonstrate  
5 that it is capable and committed to providing the nine basic services required by FCC  
6 regulation;<sup>11</sup> (c) reasonably show that designating the carrier as an ETC is in the public  
7 interest; and (d) show that upon obtaining ETC status, the carrier will be able to offer  
8 and will advertise the availability of the services supported by the federal USF.<sup>12</sup>

9  
10  
11  
12 <sup>8</sup>Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996),  
amending the Communications Act of 1934, 47 U.S.C. §§ 151 *et seq.*

13 <sup>9</sup>47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(b).

14 <sup>10</sup>47 C.F.R. § 54.201(d).

15 <sup>11</sup>47 C.F.R. § 54.101.

16 <sup>12</sup>47 U.S.C. § 214(e)(1) and (2) of the Act provide:

17 (1) Eligible telecommunications carriers

18 A common carrier designated as an eligible telecommunications carrier  
19 under paragraph (2), (3), or (6) shall be eligible to receive universal  
20 service support in accordance with section 254 of this title and shall,  
21 throughout the service area for which the designation is received --

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

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

(2) Designation of eligible telecommunications carriers

. . . Before designating an additional eligible telecommunications carrier  
for an area served by a rural telephone company, the State commission  
shall find that the designation is in the public interest.

1 Ownership of Facilities

2 Unicom states it is licensed to provide cellular service, serving  
3 approximately 550 customers in the United-KUC study area.<sup>13</sup> Unicom is the licensee  
4 of Cellular Radiotelephone Service Station AK-2-BETHEL, the frequency block B  
5 cellular system in the Bethel Rural Service Area 316B.<sup>14</sup> Unicom provided maps  
6 showing its current coverage area in relation to its proposed ETC service area.<sup>15</sup> While  
7 Unicom's current facilities do not cover the entire United-KUC study area, Unicom  
8 states that access to federal and state USF will enable it to upgrade and extend its  
9 network.<sup>16</sup> Unicom's lack of facilities throughout the proposed ETC service areas at this  
10 time does not, in and of itself, make Unicom ineligible for ETC status. We determine  
11 that Unicom has demonstrated that it meets the ownership of facilities test.

12 Capability and Commitment

13 Unicom must demonstrate its ability to provide each of the nine basic  
14 services designated by the FCC, including Lifeline and Link Up services,<sup>17</sup> or petition for  
15 additional time to complete network upgrades.<sup>18</sup> Although section 214(e)(1) of the Act  
16 requires an ETC to offer the services supported by the federal universal service support  
17 mechanisms, it does not require a competitive carrier to actually provide the supported

20 <sup>13</sup>Request at 2.

21 <sup>14</sup>*Id.*

22 <sup>15</sup>Supplemental Filing and Second Supplemental Filing.

23 <sup>16</sup>Unicom proposes to upgrade its Bethel switch to CDMA (digital) technology and  
construct cell towers in Unalakleet and McGrath, Request at 2 and 8.

24 <sup>17</sup>The Lifeline program is defined at 47 C.F.R. § 54.401(a). The Link Up program  
is defined at 47 C.F.R. § 54.411(a).

25 <sup>18</sup>The FCC allows a state commission to allow a carrier additional time to  
26 complete network upgrades to provide single-party service, access to E911 service or  
toll limitation. 47 C.F.R. § 54.101(c).

1 services throughout the designated service area before designation as an ETC.<sup>19</sup>  
2 Unicom must demonstrate its commitment and plans to provide the supported services  
3 using either its own facilities or a combination of its own facilities and resale.

4 In its Request, Unicom states that it will offer the nine basic services,  
5 including Lifeline and Link Up, throughout the United-KUC study area.<sup>20</sup> Unicom  
6 proposes a Lifeline discount of \$38.50 for a calling plan that retails for \$39.50 and  
7 includes 500 minutes of local usage<sup>21</sup> and free optional toll blocking.<sup>22</sup> Unicom's  
8 Link Up benefits include a \$17.50 discount to the standard fee of \$35.<sup>23</sup> Unicom states  
9 its Lifeline and Link Up customer eligibility requirements comply with 3 AAC 53.390(b).<sup>24</sup>

10 Unicom commits to comply with the standards set forth in the Cellular  
11 Telecommunications Industry Association Consumer Code for Wireless Service (CTIA  
12 Consumer Code) and to report to us the number of consumer complaints per 1,000  
13 handsets on an annual basis. We currently do not regulate the quality of service by  
14 Unicom, and we do not have sufficient evidence to define quality of service standards  
15 for wireless carriers. If we receive customer complaints, however, we may examine  
16 whether Unicom is meeting its ETC obligations throughout the service area.<sup>25</sup>

17  
18  
19  
20 <sup>19</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, 15172-15174 (2000).*

23 <sup>20</sup>Request at 3-6.

24 <sup>21</sup>Additional minutes will be charged at 35 cents per minute. Response to L0.

25 <sup>22</sup>Request at 4.

26 <sup>23</sup>*Id.* at 4-5.

<sup>24</sup>*Id.* at 5.

<sup>25</sup>Request at 20. CTIA, Consumer Code for Wireless Service, available at  
[http://files.ctia.org/pdf/The\\_Code.pdf](http://files.ctia.org/pdf/The_Code.pdf).

1           Additionally, Unicom states that it has a battery bank that will allow full  
2 function without an external power source for eight hours.<sup>26</sup>

3           Unicom adopted the seven-step approach<sup>27</sup> to meet its ETC obligations to  
4 offer services, upon reasonable request, throughout the proposed service area,  
5 including areas where it does not currently have facilities.<sup>28</sup> If it is unable to provide

6  
7           <sup>26</sup>Request at 7.

8           <sup>27</sup>Unicom's seven-step plan for serving customers:

9 if Unicom can serve within its existing network, Unicom will immediately  
10 serve the customer; if the customer is not in an area where Unicom  
11 currently provides service, Unicom will:

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

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

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

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

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

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

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

Request at 5-6.

27           <sup>28</sup>We have accepted the seven-step approach in other dockets approving  
28 requests for ETC status: Docket U-06-143, titled *In the Matter of the Request by Alaska  
29 DigiTel, LLC for Designation as an Eligible Telecommunications Carrier in the Glacier  
30 State Study Area Served by ACS OF THE NORTHLAND, d/b/a ALASKA  
31 COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, and ACS*; Docket U-06-41,  
32 titled *In the Matter of the Application by GCI COMMUNICATION CORP. d/b/a  
33 GENERAL COMMUNICATION, INC. and GCI for Designation as an Eligible  
34 Telecommunications Carrier in the Study Area Served by Matanuska Telephone  
35 Association, Inc.*; and Docket U-06-3, titled *In the Matter of the Request by ALASKA  
36 DIGITEL, LLC for Designation as an Eligible Telecommunications Carrier in the Service  
Area Currently Served by ACS OF FAIRBANKS, INC. d/b/a ALASKA  
COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, AND ACS.*

1 service upon reasonable request without constructing a new cell site, Unicom states it  
2 would file a report with us estimating the cost of construction and stating its position on  
3 whether the request for service is reasonable.<sup>29</sup> We will address any Unicom reports of  
4 inability to provide service on a case-by-case basis. If Unicom fails to provide service to  
5 customers upon reasonable request, we may reevaluate its eligibility for ETC status.

6 We find that Unicom's strategy for providing service throughout its  
7 proposed ETC service area is reasonable. If Unicom is unable to provide service to a  
8 customer in response to a reasonable request, we require Unicom to report to us. The  
9 report must state the reason service cannot be provided, possible solutions for providing  
10 service, estimated cost of any needed construction, Unicom's position on whether the  
11 request for service is reasonable, and whether high-cost funds should be expended on  
12 the request.<sup>30</sup>

### 13 Public Interest Determination

14 We agree with the FCC's statement in its Virginia Cellular order that  
15 evaluation of the public interest requires review of a variety of factors and cannot simply  
16 rest on increased competition.<sup>31</sup>

17 Unicom presents plans for upgrading its network to CDMA which would  
18 allow it to provide a stronger signal, increase network capacity, and offer advanced  
19 digital calling features.<sup>32</sup> Unicom states that its upgrade will increase coverage by  
20 14 percent, reduce the number of dead spots and dropped calls, and expand coverage  
21

---

22 <sup>29</sup>Response.

23 <sup>30</sup>We have imposed this requirement on other ETCs: Docket U-06-143, Docket  
24 U-06-41, and Docket U-06-3, for example.

25 <sup>31</sup>*Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition  
26 for Designation as an Eligible Telecommunications Carrier in the Commonwealth of  
Virginia, CC Docket No. 96-45, Memorandum Opinion and Order, FCC 03-338 (2004).*

<sup>32</sup>Request at 8-11.

1 to Unalakleet and McGrath.<sup>33</sup> Unicom asserts that its designation as an ETC would  
2 expand consumer choices including mobility, wireless Lifeline, and advanced features  
3 such as caller ID, call waiting, text messaging, and Internet access.<sup>34</sup> Unicom asserts  
4 that wireless service would improve public safety by providing customers better access  
5 to emergency services outside of their home.<sup>35</sup> Unicom also claims that designation as  
6 an ETC would make wireless services more affordable and low-income customers who  
7 otherwise would be unable to afford wireless service will be able to obtain service using  
8 the Lifeline and Link Up discounts.<sup>36</sup>

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 Lifeline and Link Up and the charges for  
12 the services using media of general distribution. Unicom agrees to perform the  
13 following outreach and advertising efforts:

- 14 1. once every two years, perform community outreach through  
15 appropriate community agencies by notifying those agencies of  
16 Unicom's available services;
- 17 2. once every two years, post a list of its services on a school or  
18 community center bulletin board in each of the utility's exchanges;
- 19 3. once a year, provide a bill stuffer indicating its available services; and
- 20 4. once a year, advertise its services through the newspaper circulated in  
21 the locations served by Unicom.<sup>37</sup>

---

23 <sup>33</sup>*Id.* at 8.

24 <sup>34</sup>Request at 8.

25 <sup>35</sup>*Id.* at 9.

26 <sup>36</sup>*Id.*

<sup>37</sup>Request at 5.

1 ETC Designation

2 We find that Unicom has adequately demonstrated its capability and  
3 commitment to meet the criteria for ETC status. Unicom has demonstrated its capability  
4 to provide quality service, mobility, new service choices, affordable service, service to  
5 underserved and unserved customers, and improved public safety. We find that  
6 designating Unicom as an ETC is in the public interest. Therefore, we designate  
7 Unicom as an ETC in the United-KUC study area.

8 Conditions on ETC Status

9 Annual Certification

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

14 Build-out Plans

15 Unicom provided its build-out and service improvement plans in its  
16 proposed service areas. Unicom states that its build-out and service improvement  
17 plans will be made possible by the receipt of federal high-cost universal service  
18 support.<sup>38</sup> We will monitor Unicom's progress in its network expansion and upgrade  
19 based on the build-out schedule provided in this Request. As discussed earlier in this  
20 order, we require Unicom to notify us in the event it is unable to provide service to a  
21 customer upon reasonable request.

22 E911

23 We require Unicom to notify us if it petitions the FCC for waiver of E911  
24 service requirements. We also require Unicom to notify us if it receives a request for  
25 E911 service from a local PSAP and cannot provide that service. Unicom's report  
26

---

<sup>38</sup>*Id.* at 10.

1 should include the PSAP request, whether Unicom considers the request to be valid,  
2 and an explanation of steps Unicom would need to pursue to provide the E911 service.

3 Rulemaking Docket for ETC Designation

4 We opened a rulemaking docket to investigate the adoption of rules  
5 pertaining to requests for ETC status.<sup>39</sup> Among other things, we will evaluate, for use in  
6 our own proceedings, the possible adoption of some or all of the minimum eligibility  
7 criteria adopted by the FCC for designation of an ETC.<sup>40</sup> For instance, the FCC stated  
8 that it would require an ETC applicant to submit a formal network improvement plan that  
9 demonstrates how universal service funds will be used to improve its service coverage,  
10 signal strength, or capacity.<sup>41</sup> The FCC determined that an ETC should demonstrate its  
11 ability to remain functional in emergency situations and that it offer a local usage plan  
12 comparable to the one offered by the incumbent local exchange carrier in the service  
13 area.<sup>42</sup> Additionally, the FCC set the analytical framework it would use to determine  
14 whether a carrier's ETC designation serves the public interest. We take notice that  
15 Unicom has agreed to comply with some of these FCC criteria even though we have not  
16 required it. We advise Unicom, however, that we may require existing ETCs to comply  
17 with the standards we adopt in our rulemaking docket.

18  
19  
20  
21  
22 <sup>39</sup>Order R-06-3(1), *Order Opening Docket and Seeking Comments*, dated  
23 May 31, 2006. Docket R-06-3 is titled *In the Matter of the Consideration of Regulations*  
24 *Regarding the Designation of Eligible Telecommunications Carriers*.

25 <sup>40</sup>*Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report*  
26 *and Order*, FCC Rcd 6371 (2005) (FCC Order).

<sup>41</sup>FCC Order at ¶ 21.

<sup>42</sup>*Id.* at ¶¶ 68-72.

1 Final Order

2 We comply with the deadline that required a final order be issued no later  
3 than October 29, 2007, by issuing this final order on June 27, 2007.<sup>43</sup> This order  
4 constitutes the final decision in this proceeding. This decision may be appealed within  
5 thirty days of the date of this order in accordance with AS 22.10.020(d) and the Alaska  
6 Rules of Court, Rule of Appellate Procedure (Ak. R. App. P.) 602(a)(2). In addition to  
7 the appellate rights afforded by AS 22.10.020(d), a party may file a petition for  
8 reconsideration as permitted by 3 AAC 48.105. If such a petition is filed, the time period  
9 for filing an appeal is then calculated under Ak. R. App. P. 602(a)(2).

10 Docket Closure

11 With this determination, no substantive or procedural issues remain in this  
12 proceeding and there are no allocable costs under AS 42.05.651 and 3 AAC 48.157.  
13 Therefore, we close this docket.

14 **ORDER**

15 THE COMMISSION THEREFORE ORDERS:

16 1. Unicom, Inc. is designated as a carrier eligible to receive federal and  
17 state universal service support under the Telecommunications Act of 1996, in the study  
18 area served by United-KUC, Inc., effective the date of this order.

19 2. Unicom, Inc. shall file as if it were a regulated carrier in response to our  
20 requests for information for the annual use-of-funds certification to the Federal  
21 Communications Commission.

22 3. Unicom, Inc. shall advertise the supported services, including Lifeline  
23 and Link Up services, in accordance with the minimum criteria described in the body of  
24 this order.

25 \_\_\_\_\_  
26 <sup>43</sup>Order U-07-18(1), *Order Addressing Timeline for Decision, Designating  
Commission Panel, and Appointing Administrative Law Judge*, dated February 21,  
2007.

