



**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

Application of United States Cellular )  
Corporation for Designation as an Eligible )  
Telecommunications Carrier Pursuant To )  
Section 214(e)(2) of the Communications )  
Act of 1934 )

Docket No. \_\_\_\_\_

APPLICATION OF  
UNITED STATES CELLULAR CORPORATION  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF NEBRASKA

Date: November 20, 2006

SEADOCS:234247.4

*ATTACHMENT A*

## TABLE OF CONTENTS

	Page
I. BACKGROUND.....	1
II. USCC SATISFIES ALL THE STATUTORY AND REGULATORY PREREQUISITES FOR DESIGNATION AS AN ETC.....	2
A. USCC is a common carrier.....	2
B. USCC Offers All of the Services Supported By the Federal High-Cost Universal Service Program.....	3
C. USCC will advertise the availability of the supported services .....	6
D. USCC is capable of providing the supported services .....	7
E. USCC will provide services to customers making a reasonable request for service .....	7
F. USCC has provided its five-year plan.....	8
G. USCC's service will remain functional in emergency situations .....	9
H. USCC will satisfy applicable consumer protection and service quality standards .....	11
I. USCC will offer a local usage plan comparable to that offered by ILECS.....	12
J. USCC will provide equal access.....	13
K. Granting this application will serve the public interest.....	13
III. HIGH-COST CERTIFICATION .....	18
IV. USCC REQUESTS ETC DESIGNATION IN THE NON-RURAL AND RURAL WIRE CENTERS THAT IT SERVES IN THEIR ENTIRETY .....	18
V. CONCLUSION .....	19

## TABLE OF CONTENTS

### Exhibit List

Exhibit A	Nebraska licensed Cellular Geographic Service Area and Personal Communications Service area
Exhibit B	USCC seeks ETC designation for these wire centers
Exhibit C	A map of USCC's proposed ETC service area
Exhibit D	USCC's proposed five-year service improvement plan for the requested ETC area [ <b>HIGHLY CONFIDENTIAL</b> ]
Tab 1:	Propagation maps for years ending 2006 and 2012, showing improved coverage over plan term
Tab 2:	Spreadsheet showing proposed new USCC Cell sites by wire center, including projected start and completion date, projected capital investment, and incremental operational expenses by plan year to operate the supported sites
Tab 3:	Spreadsheet by wire center showing which wire centers will receive improved coverage over the plan term and the populations of the wire centers served by the improvements
Tab 4:	Spreadsheet showing wire centers receiving small or no improvement in coverage in the first five years and explaining reasons
Tab 5:	Map of new Cell Site Locations Overlaid on map of Wire Center Boundaries
Tab 6:	Spreadsheet summarizing projected USF receipts, capital investments, and operational expenses annually for 2007-2012
Tab 7:	Spreadsheet showing projected new USCC PCS sites in 2007-2008
Exhibit E	Description of USCC's current rate plans
Exhibit F	USCC's high-cost certification with the FCC and USAC
Exhibit G	Non-rural wire centers for which USCC seeks ETC designation
Exhibit H	Rural wire centers for which USCC seeks ETC designation

**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

Application of United States Cellular            )  
Corporation for Designation as an Eligible        )  
Telecommunications Carrier Pursuant To         )  
Section 214(e)(2) of the Communications         )  
Act of 1934    )  
Docket No. \_\_\_\_\_

VERIFIED APPLICATION OF  
UNITED STATES CELLULAR CORPORATION FOR DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER  
IN THE STATE OF NEBRASKA

United States Cellular Corporation (“USCC” or “Company”) petitions the Commission for designation as an Eligible Telecommunications Carrier (“ETC”) in those non-rural wire centers and rural wire centers that USCC serves in their entirety, pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”). Through this Application, USCC seeks ETC designation for the purpose of receiving federal universal service support but not state universal service funds. As demonstrated below, USCC meets all the requirements for ETC designation.

**I. Background.**

USCC is licensed to provide cellular radiotelephone service in the Nebraska areas shown on the map attached hereto as **Exhibit A** (USCC’s “Cellular Geographic Service Area” or “CGSA”). **Exhibit A** also shows USCC’s licensed personal communications service (“PCS”) area in Nebraska. Collectively, cellular and PCS services are called “commercial Mobile Radio Service” or “CMRS.” USCC seeks to obtain high-cost support and to expand its coverage to include unserved or underserved areas, to increase the service quality and reliability of its network, and to speed the delivery of advanced wireless services to the citizens of Nebraska. As

an ETC, USCC will also offer a basic universal service package to subscribers who are eligible for Lifeline support and will offer Link-Up to eligible subscribers. USCC's service offering will be competitive with those of the incumbent local exchange carriers ("LECs").

USCC seeks ETC designation for the wire centers listed in **Exhibit B**. A map of USCC's proposed ETC service area is attached hereto as **Exhibit C**.

## **II. USCC Satisfies All the Statutory and Regulatory Prerequisites for Designation as an ETC.**

The Commission adopted the criteria for designating ETCs in Orders issued June 28, 2005, in Application No. C-3415 ("Commission Order C-3415"), and September 21, 2005, in Rule and Regulation No. 165 ("Designation Rules").<sup>1</sup> The Commission's Designation Rules are the same as the FCC's ETC guidelines implementing Section 214(e) of the Telecommunications Act. As shown below, USCC satisfies all elements of the Commission's Designation Rules, which are enumerated below.

### **A. USCC is a common carrier**

An ETC applicant must be a common carrier to obtain ETC designation.<sup>2</sup> A common carrier is an entity "engaged as a common carrier on a for-hire basis in interstate communications utilizing either wire or radio technology."<sup>3</sup> CMRS service, such as PCS and cellular service, is specifically defined as a common carrier service in the FCC's rules.<sup>4</sup> USCC provides CMRS service on a for-hire, interstate basis and thus is a common carrier.

---

<sup>1</sup> 47 U.S.C. § 214(e)(2) of the Act authorizes this Commission to designate USCC as an ETC. As a CMRS carrier, USCC is entitled to seek designation as an ETC. See Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) ("First Report and Order").

<sup>2</sup> NE Admin Code 291.009.02A; In the Matter of Application of Alltel Communications of Nebraska, Application No. C-3497, Order at 5 (March 7, 2006) ("Alltel ETC Order").

<sup>3</sup> Alltel ETC Order at 5; 47 U.S.C. § 153(10).

<sup>4</sup> 47 C.F.R. § 20.9(a); Alltel ETC Order at 5

**B. USCC Offers All of the Services Supported By the Federal High-Cost Universal Service Program.**

An ETC applicant must “[d]emonstrate that it will offer the services that are supported by federal universal service support mechanisms and section 254(c) of the Act, either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier).”<sup>5</sup> The supported services are: 1) voice-grade access to the public switched telephone network; 2) local usage; 3) dual-tone, multi-frequency (“DTMF”) signaling, or its functional equivalent; 4) single-party service or its functional equivalent; 5) access to emergency services; 6) access to operator services; 7) access to interexchange service; 8) access to directory assistance; and 9) toll limitation for qualifying low-income consumers.<sup>6</sup> USCC explains how it will offer each of these required services below.

a. Voice-grade access to the public switched telephone network.

An ETC must offer voice grade access to the public switched telephone network. The FCC defines voice-grade access as the ability to make and receive phone calls, within a specified bandwidth.<sup>7</sup> USCC provides this service by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with LECs, each of USCC’s customers is able to make and receive calls on the public switched telephone network within the specified bandwidth.

---

<sup>5</sup> NE Admin Code 291.009.02A2; 47 U.S.C. § 214(e)(1).

<sup>6</sup> See 47 C.F.R. § 54.101(a).

<sup>7</sup> First Report and Order, 12 FCC Red at 8810-11.

b. Local usage.

An ETC must demonstrate that it provides local usage. USCC provides local usage, as required by the Designation Rules. USCC provides additional information regarding its local usage plans in the section of this Application comparing its local usage plan with the local usage plans of the incumbent LECs.

c. DTMF signaling, or its functional equivalent.

An ETC must offer DTMF, which is a method of signaling that facilitates the transportation of call set-up and call detail information. Consistent with the principles of competitive and technological neutrality, the FCC permits carriers to provide signaling that is functionally equivalent to DTMF in satisfaction of this service requirements.<sup>8</sup> USCC currently uses out-of-band digital signaling and therefore meets this requirement.

d. Single-party service or its functional equivalent.

An ETC must provide “single-party service,” which means that only one party will be served by a subscriber loop or access line in contrast to a multi-party line.<sup>9</sup> The FCC concluded that a wireless provider offers the equivalent of single-party service when it offers a dedicated message path for the length of a user’s particular transmission.<sup>10</sup> USCC meets the requirement of single-party service in this manner.

e. Access to emergency services.

An ETC must provide access to emergency services. USCC currently provides its customers with access to emergency services by dialing 911 in accord with this requirement throughout the geographic area where it is seeking ETC designation. Further, USCC provides

---

<sup>8</sup> 47 C.F.R. § 54.101(a)(3).

<sup>9</sup> First Report and Order, 12 FCC Rcd at 8810.

<sup>10</sup> Id.

both automatic numbering information (“ANI”) and automatic location information (“ALI”) to public emergency service providers capable of both receiving and utilizing the data and have made arrangements for the delivery of the data.

f. Access to operator services.

An ETC must provide access to operator services, which is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call.<sup>11</sup> USCC meets this requirement by providing all of its customers with access to operator services provided by either USCC or other carriers.

g. Access to interexchange service.

An ETC must offer consumers access to interexchange service to make and receive toll or interexchange calls. USCC presently meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements between the USCC and several IXC. On most of the USCC’s rate plans, interexchange calls can be made for no additional charge because all outgoing minutes are treated the same. Additionally, customers are able to reach other interexchange carriers by dialing the appropriate 800 access number.

h. Access to directory assistance.

An ETC must provide customers with the ability to place a call to directory assistance.<sup>12</sup> USCC meets this requirement by providing all of its customers with access to directory assistance by dialing either “411” or “Area Code + 555-1212.”

---

<sup>11</sup> First Report and Order at 8817-18.

<sup>12</sup> First Report and Order at 8821.

i. Toll limitation for qualifying low-income consumers.

An ETC must offer either “toll control” or “toll blocking” services to qualifying Lifeline customers at no charge. The FCC no longer requires an ETC to provide both services as part of the toll limitation service.<sup>13</sup> In particular, all ETCs must provide toll blocking, which allows customers to block the completion of outgoing toll calls.<sup>14</sup> Once designated as an ETC, USCC will participate in Lifeline as required and will provide toll blocking capability in satisfaction of the FCC’s requirement. USCC currently has the capability to provide toll blocking and will provide this service at no charge to its Lifeline customers.

j. USCC will offer the supported services using a combination of its own facilities and resale of another carrier’s services.

An ETC may offer the above services either using its own facilities or a combination of its own facilities and resale of another carrier’s services.<sup>15</sup> USCC will provide the supported services using its own network infrastructure, consisting of antennas, cell sites, towers, trunkings, mobile switching and interconnection facilities. USCC may, on a limited basis, provide service through resale of another carrier’s service in areas lacking adequate coverage.

**C. USCC will advertise the availability of the supported services.**

An ETC applicant must “[d]emonstrate that it will advertise the availability of [the required] services and the charges therefore using media of general distribution.”<sup>16</sup> USCC will advertise the availability of the supported services and the corresponding charges in a manner that fully informs the general public within the designated service area of both the available services

---

<sup>13</sup> 47 C.F.R. § 54.101 (a)(9); see Federal-State Joint Board Universal Service, Fourth Order on Reconsideration, 13 FCC Rcd 5318, 5388 (1997).

<sup>14</sup> First Report and Order, 12 FCC Rcd at 8821-22.

<sup>15</sup> NE Admin. Code 291.009.02A2

<sup>16</sup> NE Admin. Code 291.009.02A3

and the associated rates. USCC currently advertises its services through a variety of advertising media, including newspapers, television, radio, public exhibits and displays, and USCC's website. USCC will utilize the same media to advertise the universal service offerings throughout the ETC Service Area. Further, USCC commits to advertise the availability of Lifeline and Link-Up discounts throughout the ETC Service Area.

**D. USCC is capable of providing the supported services**

An ETC applicant must “[d]emonstrate that it is capable of providing and will continuously provide the services designated for support as defined in 47 C.F.R. Section 54.101.”<sup>17</sup> USCC certifies that it meets this requirement in the attached verification of James R. Jenkins.

**E. USCC will provide services to customers making a reasonable request for service.**

An ETC applicant must “[c]ommit to provide service throughout its proposed designated service area to all customers making a reasonable request for service.”<sup>18</sup> Each applicant shall further certify that it will:

Provide service on a timely basis to requesting customers within the applicant's service area where the applicant's network already passes the potential customer's premises; and

Provide service within a reasonable period of time, if the potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by (a) modifying or replacing the requesting customer's equipment; (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;<sup>19</sup>

---

<sup>17</sup> NE Admin Code 291.009.02A4.

<sup>18</sup> NE Admin Code 291.009.02A5

<sup>19</sup> Id.

USCC will meet this requirement by (1) providing service throughout the proposed ETC area using its standard customer equipment and service offerings where available; or (2) if a request is received from a potential customer that is within USCC's licensed service area, but outside its existing network coverage, by following the steps described in Sections 2(e)(2) of Commission Order C-3415 and 009.02A5b of the Commission's Designation Rules described above. Furthermore, USCC will annually report the number of requests from potential customers that were unfulfilled during the previous year.

**F. USCC has provided its five-year plan.**

An ETC applicant must "submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area."<sup>20</sup> In doing so, an ETC must:

[D]emonstrate how signal quality, coverage or capacity will improve due to the receipt of high-cost support; the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; the specific geographic areas where the improvements will be made; and the estimated population that will be served as a result of the improvements. If an applicant believes that service improvements in a particular wire center are not needed, it must explain its basis for this determination and demonstrate how funding will otherwise be used to further the provision of supported services in that area.<sup>21</sup>

USCC submits its proposed five-year service improvement plan ("Plan"), attached hereto as **Exhibit D**. USCC's Plan contains highly confidential information, and therefore, is submitted under seal. To aid in identification, **Exhibit D** has been copied onto colored paper. Distribution of **Exhibit D** should be restricted until a proper Protection Order has been entered in this matter and Nondisclosure Agreements consistent with said Protection Order are executed.

---

<sup>20</sup> NE Admin Code 291.009.02A6.

<sup>21</sup> Id.

The Plan describes projected improvements in both the non-rural areas and the rural areas in which USCC seeks ETC designation in this Application. The capital and operating expenditures in the Plan represent substantially greater levels of financial commitment than USCC would commit in the absence of high-cost support. Although not included in the Plan, USCC expects it will also incur expenses associated with upgrading, maintaining and operating its existing network in the ETC designated areas. Based on USCC's projected support of \$5.5 million per year, USCC's plan projects that capital expenditures for the proposed sites, together with the operating expenditures needed to maintain those sites, will exceed USCC's high-cost support receipts by over \$4 million over the five years.

The five-year plan attached hereto as **Exhibit D** satisfies the requirements of the Commission's designation rules and constitutes a good faith estimate of the universal service benefits - due to expanded coverage and improved signal and service quality - that rural and non-rural customers in the state of Nebraska will enjoy if the Commission designates USCC as an ETC in the requested areas. USCC's plan is flexible and subject to change in response to general consumer demand, changes in technology and other appropriate factors. The priority under which each cell site is to be constructed is subject to change depending upon requests for service and other market factors. USCC will provide the Commission an annual progress report consistent with Sections 6(a) of Commission Order C-3415 and 009.04 of the Commission's Designation Rules that will update any changes made in the plan.

**G. USCC's service will remain functional in emergency situations.**

An ETC applicant must "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged

facilities, and is capable of managing traffic spikes resulting from emergency situations.<sup>22</sup> USCC's network is designed to remain functional in emergency situations. USCC builds sites with at least four hours of battery back-up power to ensure functionality without an external power source. USCC is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations.

USCC's hub sites include backup generators. Other sites are served by portable generators if a power outage lasts longer than four hours. These back-up power generators are capable of keeping a cell site up and running until power is restored to the cell site, until system changes are made to reroute traffic or until a cell site on wheels ("COW") is deployed. USCC tests its back-up power generators regularly to ensure functionality. USCC is capable of and will reroute traffic around damaged or out-of-service facilities by changing call routing translations as needed. USCC also is 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, USCC is able to manage traffic spikes throughout its network. As a long-term solution for managing increased traffic levels and traffic spikes, USCC will increase capacity at its cell sites, switches and transport facilities. USCC will annually certify that it is able to function in emergency situations and will fulfill the annual outage reporting requirement described in Sections 6(b) of Commission Order C-3415 and 009.04A2 of the Commission's designation rules.

---

<sup>22</sup> NE Admin Code 291.009.02A7; See also 47 C.F.R. § 54.202(a)(2).

**H. USCC will satisfy applicable consumer protection and service quality standards**

An ETC applicant must “demonstrate that it will satisfy applicable consumer protection and service quality standards.”<sup>23</sup> The FCC has determined that a commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association’s Consumer Code for Wireless Service (“CTIA Consumer Code”) will satisfy this requirement, as has this Commission.<sup>24</sup>

USCC has already committed to abide by the CTIA Consumer Code for its entire wireless operations across the country, not simply those states in which it seeks ETC status. Therefore, USCC unequivocally commits that, as an ETC, USCC will abide by the CTIA Consumer Code with respect to its ETC Service Areas.<sup>25</sup>

In addition to its commitment to the CTIA Consumer Code, USCC has taken several steps, on its own initiative, to further protect its customers and enhance service quality. For example, USCC offers its customers an automatic one-minute credit for all dropped calls on its network. USCC does not require a customer to call and report such instances. Instead, USCC monitors its network for dropped calls and automatically credits customers’ accounts. In another initiative, in recognition of the fact that changing circumstances and needs may require customers to opt for different rate plans, USCC offers its customers the ability to change rate plans at any time without extending their current service contracts. These are two initiatives taken by USCC to further improve the service it offers customers.

---

<sup>23</sup> NE Admin. Code 291.009.02A8.

<sup>24</sup> 47 C.F.R. § 54.202(a)(3); Alltel ETC Order at 13.

<sup>25</sup> USCC recently re-certified its compliance with the CTIA Consumer Code.

**I. USCC will offer a local usage plan comparable to that offered by ILECS.**

An ETC must “demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation.”<sup>26</sup> The FCC has explained that an ETC applicant’s local usage plans should be reviewed on a case-by-case basis to ensure that each ETC provides a local usage component in its universal service offering that is comparable to the plan offered by the incumbent LEC in the area.<sup>27</sup> The FCC has declined to adopt a specific local usage threshold.<sup>28</sup>

USCC meets this requirement because it will offer local usage plans comparable to those offered by the incumbent LEC in the service areas for which it seeks designation. Each of USCC’s service plans described in **Exhibit E** is within the scope of comparability as discussed in the FCC in the ETC Criteria Order.<sup>29</sup> Further, USCC will annually certify that it offers local usage plans that are comparable to those offered by the incumbent LEC in the relevant areas in accordance with Sections 6(g) of Commission Order C-3415 and 009.04A7 of the Commission’s Designation Rules.

USCC provides rate plans that have substantial local calling areas with corresponding levels of included local usage, thereby providing outstanding consumer value. A description of USCC’s current rate plans that are available in the areas for which USCC seeks ETC designation is attached as **Exhibit E** hereto. **Exhibit E** confirms that USCC includes local usage in each rate plan and that USCC offers local calling areas that are substantially larger than those offered by the incumbent LECs. Further, since USCC offers several rate plans as its

---

<sup>26</sup> NE Admin. Code 291.009.02A9; 47 C.F.R. § 54.202(a)(4).

<sup>27</sup> Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371 (2005) (“ETC Criteria Order”).

<sup>28</sup> Id. at 6385.

<sup>29</sup> ETC Criteria Order, 20 FCC Rcd at 6385.

universal service offering, customers have the opportunity to select a rate plan that best meets their needs based on the local calling areas and the amount of local calling included in each plan.

**J. USCC will provide equal access**

An ETC applicant must “certify that [it] acknowledges that the Federal Communications Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.”<sup>30</sup> Accordingly, USCC acknowledges that the Commission may require it to provide equal access to long-distance carriers in the event that no other ETC is providing equal access within the designated ETC Service Area. Further, USCC will file an annual certification acknowledging the fact that it may be required to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

**K. Granting This Application Will Serve the Public Interest.**

An ETC applicant must demonstrate that ETC designation “is consistent with the public interest, convenience, and necessity, and, in the case of an area served by a rural telephone company, demonstrate that public interest will be met by an additional designation.”<sup>31</sup> When evaluating the public interest, “in the case of an applicant seeking designation in an area served by a rural telephone company, the Commission will consider the benefits of increased consumer choice, and the unique advantages and disadvantages of the applicant’s service offering.”<sup>32</sup> “In instances where an eligible telecommunications carrier applicant seeks designation below the study area level of a rural telephone company, the Commission shall also conduct a

---

<sup>30</sup> NE Admin. Code 291.009.02A10; 47 C.F.R. § 54.202(a)(5).

<sup>31</sup> NE Admin. Code 291.009.02B; 47 C.F.R. § 54.202(c).

<sup>32</sup> NE Admin. Code 291.009.02B.

creamskimming analysis.<sup>33</sup> The FCC, in its ETC Criteria Order, codified a fact-specific public interest analysis it had developed in prior orders as the appropriate process for determining that an ETC designation is in the public interest.<sup>34</sup> As demonstrated below, the Commission should find that designating USCC as an ETC will serve the public interest and is consistent with the requirements in Sections 2(a) and 3 of Commission Order C-3415, along with Sections 009.02A1 and 009.02B of the Commission's Designation Rules. Moreover, USCC's application does not raise any creamskimming concerns.

a. Benefits of Increased Consumer Choice.

The FCC and this Commission have recognized that designation of wireless ETCs promotes competition and benefits consumers in rural, high-cost areas by increasing consumer choice, availability of innovative services and deployment of new technologies.<sup>35</sup> Designating USCC as an ETC in these rural areas will bring to rural customers the benefits described above that are otherwise available primarily to urban customers. Availability of universal service funds will enable USCC to improve service quality and coverage in areas that it currently serves, and expand its services into areas that would not be economically feasible to serve absent universal service funding.

Universal service funding will enable USCC to continue to operate, update and maintain a higher number of cell sites in high-cost, low-density areas. Upon ETC designation, USCC will offer qualifying customers a choice in their Lifeline/Link-Up provider. The mobility of wireless service will offer qualifying Lifeline/Link-Up customers an alternative means of communications that they do not currently enjoy. Further, improving and expanding the choices

---

<sup>33</sup> NE Admin. Code 291.009.02C.

<sup>34</sup> Id. at 6389.

<sup>35</sup> Alltel ETC Order at 16.

available to consumers will not only strengthen inter-modal wireless/wireline competition, but also increase intra-modal wireless competition to the benefit of telecommunications customers throughout Nebraska due to better coverage, availability of more features and services, and deployment of advanced services. Finally, increased competition in the rural areas provides an incentive to incumbent LECs to achieve new operating efficiencies and introduce additional choices, higher quality and better value to their customers.

b. Unique Advantages and Disadvantages of USCC's Service Offering.

Designating USCC as an ETC will bring customers the unique advantage of mobility. The FCC recognized the unique advantages of mobility when it stated that:

[T]he mobility of telecommunications assists consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other critical community locations. In addition, the availability of a wireless universal service offering provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities.<sup>36</sup>

Further, because USCC's local calling areas are significantly larger than those of the incumbent LEC, USCC's customers will be subject to fewer toll charges and be able to communicate across greater distances more frequently. USCC will make available several offerings to its customers with varying amounts of local calling and different local calling areas, allowing customers to choose a universal service offering that best suits their particular calling needs.

The FCC has acknowledged that the disadvantages of wireless service may include dropped calls and poor coverage.<sup>37</sup> However, the FCC found that an ETC applicant's assurances to build new towers to improve coverage, its commitments to comply with the CTIA Code for Wireless Service and annually report the number of complaints per thousand handsets adequately

---

<sup>36</sup> In the Matter of Virginia Cellular, Memorandum Opinion and Order, 19 FCC Rcd 1563, 1576 (2003); See Alltel ETC Order at 17.

<sup>37</sup> Id. at 1576-77.

addressed any concerns about the quality of service.<sup>38</sup> USCC understands that its business is built on customer satisfaction as evidenced by its recent initiative to voluntarily credit customers' accounts for dropped calls. Further, USCC is a signatory to the CTIA Consumer Code for its entire operations, not only its ETC designated areas.

In addition, USCC commits to maintain, upgrade and construct cell sites in order to improve coverage, service quality and capacity. Attached and marked as 'Confidential' is **Exhibit D**, USCC's five-year plan demonstrating how high-cost universal service support will be used to improve its network. Finally, as described in this Application, USCC has committed to respond to reasonable requests for service from potential customers that are within its ETC Service Area.<sup>39</sup> In instances where a request for service is received from a potential customer within the ETC area but outside USCC's existing network coverage, USCC has committed to take the steps required by the Designation Rules to respond to such a request. USCC's commitments to a network improvement plan and to respond to reasonable requests for service within the designated area mitigate any concerns that may exist regarding USCC's network quality. Thus, granting this petition will serve the public interest.

c. Creamskimming.

Section 4 of Commission Order C-3415 and 009.02C of the designation rules requires the Commission to conduct a creamskimming analysis if the ETC applicant is seeking designation below the study area level of a rural ILEC. USCC proposes to serve the vast majority of the state of Nebraska. The only significant rural areas left out of USCC's proposed ETC designation are the wire centers in the "panhandle" of the western part of the state. The reason

---

<sup>38</sup> Id.

<sup>39</sup> NE Admin. Code 291.009.02A5

USCC has excluded all these areas is that USCC lacks CMRS or PCS licenses to serve those wire centers. There are just a handful of other wire centers outside the panhandle where USCC's licenses do not allow service to the entire wire centers and USCC has chosen not to include them because resale in such areas of little or no coverage is not in the public interest.

Of the rural ILECs, USCC proposes to include in its ETC area and serve the entire study areas of the following ILECs: Arapahoe, Benkelman, Cambridge Telephone, Citizens, Clarks Telephone Company, Cozad Telephone Company, Curtis Telephone Company, Dalton Telephone Company, Diller Telephone Company, Elsie Telephone Company, Glenwood Telephone Company, Hamilton County Telephone, Hartington Telephone, Hartman Telephone, Hemingford Telephone, Henderson Telephone, Hershey Telephone, Hooper Telephone Company, Huntel Systems, K&M Telephone Company, Keystone Arthur Telephone, Nebraska Central Telephone, Pierce Telephone Company, Plainview Telephone, Sometown Telephone Company, Southeast Nebraska Telephone, Stanton Telephone Company, Three River Telco, and Wauneta Telephone Company.

USCC will not be serving the entire study areas of only three of Nebraska's ILECs. First, although USCC will be serving 61 of Great Plains' wire centers, USCC will not be able to serve four of them, which are located in the panhandle. The average population density of the 61 wire centers that USCC proposes to serve is 4.79 persons per square mile. The average population density of the four wire centers that USCC does not propose to include in its ETC area is 2.44 persons per square mile. This ratio of 1.97:1 does not raise creamskimming concerns. Second, USCC proposes to include the Danbury and Lebanon wire centers of the Hartman Telephone Company, but does not include the Haigler wire center, because it is completely outside of USCC's licensed service area. The average population density of the Danbury and

Lebanon wire centers is 2.70 persons per square mile. The density of the Haigler wire center is 1.53 persons per square mile. Again, the ratio of 1.77:1 does not implicate any creamskimming concerns. Finally, USCC proposes to serve 20 out of the 21 wire centers of Northeast Nebraska Telephone Company. The average population density of the 20 wire centers that USCC proposes to include in its ETC area is 6.11 persons per square mile. The density of the wire center that USCC does not propose to include in its ETC area is 14.37 persons per square mile. Because the excluded wire center is more densely populated than the included wire centers (ratio of 0.43:1), there are no creamskimming concerns presented with regard to Northeast Nebraska.

### **III. High-Cost Certification.**

Under Sections 54.313 and 54.314 of the FCC's rules, carriers wishing to obtain high-cost support must either be certified by the appropriate state commission or, where the state commission does not exercise jurisdiction, must self-certify with the FCC and the Universal Service Administration Corporation ("USAC") their compliance with Section 254(e) of the Act. Therefore, in accordance with Sections 54.313(b) and 54.314(b) of the FCC's Rules and Sections 1 of Commission Order C-3415 and 009.01 of the Commission's Designation Rules, USCC commits to use available federal high-cost support for its intended purposes – the provision, maintenance and upgrading of facilities and services in the areas for which support is intended.<sup>40</sup>

Additionally, USCC has submitted its high-cost certification with the FCC and USAC. A copy of this certification is attached hereto as **Exhibit F**. USCC respectfully requests that the Commission issue a finding that USCC has met the high-cost certification requirement

---

<sup>40</sup> 47 U.S.C. § 254(e); 47 C.F.R. §§ 54.313, 54.314.

and that USCC is, therefore, entitled to begin receiving high-cost support as of the date it receives a grant of ETC status in order that funding will not be delayed.<sup>41</sup>

#### **IV. USCC Requests ETC Designation in the Non-Rural and Rural Wire Centers that it Serves in Their Entirety**

As a CMRS provider, USCC is not a “rural telephone company” as that term is defined by 47 U.S.C. 153(37). Therefore, USCC is required to describe the geographic area in which it requests designation.<sup>42</sup> USCC requests ETC designation in non-rural wire centers listed in **Exhibit G** and the rural wire centers listed in **Exhibit H**. A map of USCC’s proposed ETC service area is attached hereto as **Exhibit C**.

47 C.F.R. § 54.207 defines a “service area” as a “geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms.” The applicable FCC rules do not impose restrictions on how a state commission defines a non-rural service area for purposes of designating a competitive ETC. The reason for this is because the potential for “creamskimming” does not exist in the service areas served by non-rural LECs. Consequently, ETC designations in the non-rural areas are made at the wire center level. USCC requests ETC designation in the non-rural wire centers listed in **Exhibit G**.

In an area served by a rural telephone company, the FCC’s rules define “service area” to mean the LEC study area, unless a different definition of service area is established for that company.<sup>43</sup> USCC requests ETC designation in the rural wire centers identified in **Exhibit H**. USCC also requests that the Commission redefine the rural study areas of Great Plains, Hartman Telephone, and Northeast Nebraska Telephone below the study area level. As

---

<sup>41</sup> See 47 C.F.R. § 54.307(d); see also Guam Cellular and Paging, Inc. Petition for Waiver of FCC Rule Section 54.314 of the Commission’s Rules and Regulations, Order, 18 FCC Rcd 7138 (2003).

<sup>42</sup> Id.

<sup>43</sup> See 47 C.F.R. §54.207(b).

discussed above, a population density analysis shows that there is no need to be concerned regarding creamskimming or the effect of creamskimming in any of those ILEC study areas. Redefinition will have no impact on the amount or basis for support that these three ILECs would receive. Instead, redefinition would allow USCC to receive high-cost support and bring the public interest benefits to the state of Nebraska that such support entails by allowing USCC to receive support for the areas where it has licenses to serve. Therefore, the Commission should designate USCC as an ETC in those areas because such designation and redefinition would be in the public interest.<sup>44</sup>

---

<sup>44</sup> 47 U.S.C. §214(e)(2).

**V. Conclusion.**

USCC respectfully requests the Commission to designate it as an ETC on an expedited basis.

Dated this 20th day of November, 2006.

Respectfully submitted,

CROSBY GUENZEL LLP

By: \_\_\_\_\_  
Steven G. Seglin (#13756)  
Thomas E. Jeffers (#22179)  
CROSBY GUENZEL LLP  
134 So. 13<sup>th</sup> St., Suite 400  
Lincoln, NE 68508  
(402) 434-7300 (Telephone)  
(402) 434-7303 (Fax)  
[sgs@crobylawfirm.com](mailto:sgs@crobylawfirm.com)  
[tej@crobylawfirm.com](mailto:tej@crobylawfirm.com)

Of Counsel:

MILLER NASH LLP  
Brooks E. Harlow  
David L. Rice  
Miller Nash, LLP  
4400 Two Union Square  
601 Union Street  
Seattle, WA 98101-2352  
Phone: 206-622-8484  
Fax: 206-622-74885  
[Brooks.harlow@millernash.com](mailto:Brooks.harlow@millernash.com)  
[David.rice@millernash.com](mailto:David.rice@millernash.com)

**VERIFICATION**

STATE OF ILLINOIS        )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

I, James R. Jenkins, being first duly sworn on oath depose and say that  
  
I am the Vice President - Legal & External Affairs, for U. S. Cellular Corporation. I have  
read the foregoing "Application for Designation as an Eligible Telecommunication Carrier" in  
the State of Nebraska and know the contents thereof, and the facts stated therein insofar as  
they relate to U. S. Cellular Corporation, are true to the best of my knowledge, information  
and belief.

\_\_\_\_\_  
Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_