

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

In the Matter of)	
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advantage Cellular Systems, Inc. Request for Cost-Based High-Cost Universal Service Support)	

**REPLY COMMENTS OF
THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER
ADVOCATES**

The National Association of State Utility Consumer Advocates (“NASUCA”¹) submits these reply comments² in response to comments filed on the request of Advantage Cellular Systems, Inc. (“Advantage”) to the Federal Communications Commission (“FCC” or “Commission”) to receive high-cost universal service support based on its costs, rather than the capped amount established by the Commission’s *Interim Cap Order*.³ Advantage’s actual request, however, is to receive the amount of

¹ NASUCA is a voluntary, national association of consumer advocates in more than 40 states and the District of Columbia, organized in 1979. NASUCA’s members are designated by the laws of their respective states to represent the interests of utility consumers before state and federal regulators and in the courts. Members operate independently from state utility commissions, as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (*e.g.*, the state Attorney General’s office). Associate and affiliate NASUCA members also serve utility consumers, but have not been created by state law or do not have statewide authority.

² See Public Notice, DA 09-1563 (rel. July 21, 2009).

³ Advantage “Request for Cost-Based Universal Service Support” (filed March 27, 2009) (“Advantage Request”) at 1, citing *High-Cost Universal Service Support*, WC Docket No. 05-337, et al, Order (May 1, 2008) (“*Interim Cap Order*”).

support it would have received absent the cap, as some of the comments point out.⁴ This is substantially less than it would get using cost-based support (approximately \$2.5 million in cost-based support vs. \$995,000 in “uncapped” support).⁵ And Advantage seeks to have that support be retroactive to August 1, 2008, the date on which the *Interim Cap Order* went into effect.⁶

NASUCA agrees with the comments of the Independent Telephone and Telecommunications Alliance (“ITTA”) that the fact that Advantage’s cost study was not made publicly available makes it virtually impossible to comment on whether the study accurately portrays Advantage’s costs.⁷ NASUCA also agrees that

[r]egardless, however, of whether the Commission intends to use prospectively a wireline-based cost study for wireless CETCs (including, but not limited to, the Advantage model), or whether the Commission intends to itself craft a wireless-specific cost study, the structure of that study must be released for public review, and not simply approved in a vacuum. Many issues that demand public participation arise. These include, but are not limited to: whether studies should rely upon embedded or forward-looking costs; what will be accounted as traffic sensitive inputs; and, what will be designated as the equivalent or analogue of loops.⁸

HTC states that

Advantage’s Petition demonstrates that it is not necessary for the Commission to invent a new methodology for measuring CETC costs and eligibility – it already has one. If there was any doubt of this, it should be put to rest by Advantage’s real-world example that that the existing ETC framework can in fact be applied to CETCs.⁹

Advantage’s “real-world example” cannot be accepted as a basis for its support without,

⁴ United States Telecom Association (“USTelecom”) Comments at 1; Home Town Cable TV, LLC (“HTC”) Comments at 2.

⁵ Advantage Request at 8.

⁶ Id. at 9.

⁷ ITTA Comments at 3.

⁸ Id. at 4; see also USTelecom Comments at 4-5.

⁹ HTC Comments at 2.

as ITTA notes, some certainty as to whether the wireline cost model really works for wireless carriers.¹⁰

NASUCA strongly disagrees with the USA Coalition (“Coalition”) that it was unnecessary and irrelevant to take public comment on Advantage’s request.¹¹ We also disagree with the Coalition that Advantage should receive the full amount of support apparently indicated by its cost study.¹² And Advantage has provided no basis why any additional support should be retroactive.

In the end, NASUCA (unusually) agrees with USTelecom that Advantage’s request shows the flaws in the identical support rule.¹³ And the very notion that a wireless carrier would be entitled to substantially more support than received by the incumbent wireline carrier¹⁴ supports NASUCA’s longstanding position that, for the long run, CETC support should be capped at the level provided to the incumbent.¹⁵ Consumers throughout the nation cannot (and should not be asked to) fund competition in high-cost areas.¹⁶

¹⁰ As ITTA notes, Advantage’s cost study includes at least one element that is totally inappropriate for a wireless carrier: Interstate Common Line Support. ITTA Comments at 5.

¹¹ Coalition Comments at 5-6.

¹² Id. at 6; see also HTC Comments at 2. Likewise, the Coalition opines that the Commission should not accept public comment on Advantage’s request to receive less support than the amount to which it claims to be entitled. Coalition Comments at 7.

¹³ USTelecom Comments at 2.

¹⁴ To the tune of \$2.4 million based on Advantage’s cost study instead of the \$995,000 based on the uncapped identical support rule.

¹⁵ Cite

¹⁶ ITTA says that only one carrier in a study area should be supported. ITTA Comments at 5. NASUCA has previously indicated its support for the Joint Board’s recommendation for a carrier-of-last-resort fund, and a separate mobility fund for unserved areas. USTelecom notes that at least one wireless carrier provides service in Advantage’s license area without receiving any universal service support.

Respectfully submitted,

/s/

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