

**Before the
Federal Communications Commission
Washington, D.C. 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
)	
Request for Review of Decision of Universal)	
Service Administrator by Corr Wireless)	
Communications, LLC)	

REPLY COMMENTS

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Exhibit A: Increases in Pre-Cap Support Available to Competitive ETCs Since March 2008

SUMMARY

The Commission has proposed to modify its decision in the *Interim Cap Order* regarding the treatment of high-cost funds that become available as a result of a carrier's relinquishing its competitive Eligible Telecommunications Carrier status. Under the *Interim Cap Order*, such a relinquishment does not alter the level of the cap in the affected state or insular area jurisdiction. To the extent there is a cap reduction in the state, the funds that become available are redistributed to other competitive ETCs.

The Commission now intends to block the redistribution of funds, and instead warehouse the high-cost support for future use in universal service broadband programs that the Commission has not yet established. Worse, it proposes to reduce the March 2008 cap by the amount of the relinquishing carrier's *current-period* support, which would unnecessarily increase the harmful impact to consumers in rural states and to competing ETCs. The Joint Commenters oppose these proposed changes, and they find widespread support for their position in the record of this proceeding.

▪ **The Proposal To Block the Redistribution of Funds.**— Numerous commenters demonstrate that the Commission's plan to deviate from the *Interim Cap Order* and prohibit the redistribution of reclaimed high-cost support to competitive ETCs, will harm states and insular areas, impede the operations and network deployment efforts of competitive ETCs, and disadvantage consumers throughout rural America as well as all consumers contributing to the Universal Service Fund.

The record shows that depriving states of reclaimed high-cost support will lead to significant problems regarding the continued provision of wireless services. The New Mexico Public Regulation Commission, for example, indicates that the Commission's proposal not to redistri-

bute these funds would reduce the entire capped high-cost funding available in New Mexico by between 25 and 33 percent. The Rural Cellular Association demonstrates that, if the Commission's proposal had been implemented two years ago, it would have led to a 29 percent reduction in high-cost support available in Maine, a 94 percent reduction of funds available in Vermont, and a 100 percent reduction of funds available in New Hampshire.

The impact of the Commission's proposal on consumers in areas served by competitive ETCs would also be substantial. The Commission claims incorrectly in the Notice of Proposed Rulemaking that its refusal to redistribute surrendered high-cost support would not reduce the support received by individual competitive ETCs. The Joint Commenters demonstrate in these Reply Comments, using examples involving Kansas, Nebraska, Virginia, Wisconsin, and North Carolina, that the Commission's proposed change to the current rules would in fact significantly reduce funding to competitive ETCs—in some cases potentially reducing the amount of available support within a state to zero. Consumers in rural states ultimately would be harmed by the Commission's proposed reservation of reclaimed funds, because infrastructure build-out programs would be decelerated, and opportunities to improve the scope and quality of services would be lost.

Parties supporting the Commission's proposed actions fail to explain why the proposal constitutes sound public policy. Several proponents of the Commission's plan simply repeat the canard that multiple competitive ETCs would use the redistributed funds to provide duplicative service in the same service areas. The Joint Commenters demonstrate that this claim has no basis. The Joint Commenters also show that there is no merit in assertions by these parties that redistribution would harm competition, that the barring of redistribution is necessary to "rein in"

USF growth, that broadband deployment would be adversely affected if reclaimed funds are redistributed, and that redistribution would provide a “windfall” to competitive ETCs.

▪ **The Existing Rules Already Ensure Some Support Is Reclaimed.**—Contrary to the assertions of some commenters, the rules already allow for some or all of a relinquishing carrier’s support to be reclaimed. If the relinquishing carrier was eligible to receive more support per month in a state than is needed to eliminate the cap impact within that state, then the remainder is not redistributed to other competitive ETCs, but is returned to the USF. The Joint Commenters demonstrate in these Reply Comments that in many states, tens of millions of dollars in relinquished support would be reclaimed without the need for any changes to the cap.

▪ **The Proposal To Warehouse Reclaimed Funds.**—The majority of commenters argue, and the Joint Commenters agree, that the Commission’s proposal to reserve reclaimed high-cost funds for future use in advancing universal service broadband programs is unsound. There are significant grounds for concluding that the Commission lacks any authority to warehouse the reclaimed funds, and that the proposal could not withstand challenge on constitutional and statutory grounds.

In addition, warehousing the funds would harm consumers in rural areas because the funds are currently needed for the construction and maintenance of infrastructure and the provision of service. Further, all consumers contributing to USF would be victimized by the proposal because it would betray their reasonable expectations that their contributions would be put to immediate use in advancing the Commission’s universal service policies.

▪ **An Alternative Proposal for the Treatment of Reclaimed Funds.**—The Joint Commenters include in these Reply Comments a proposal for the Commission’s disposition of high-cost support reclaimed from relinquishing carriers, pursuant to which the Commission’s treat-

ment of reclaimed funds would not reduce support flowing to any individual competitive ETC (consistent with the Commission's stated objective), while ensuring that all of the support formerly received by the relinquishing carrier is reclaimed and not distributed to other competitive ETCs. This proposal would mitigate overall reductions in high-cost funding available in the affected states, and would enable the repurposing of a sizeable amount of funding for the advancement of universal service broadband programs.

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I. INTRODUCTION.

The Commission has sought comment in the *Notice* on permanently amending its rules to reduce the amount of capped support available to competitive eligible telecommunications carriers (“ETCs”) within a state when a carrier relinquishes its ETC status.² Under the *Interim Cap*

¹ *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order and Notice of Proposed Rulemaking, FCC 10-155 (rel. Sept. 3, 2010) (“*Order*” and “*Notice*”).

² *Order* at para. 2.

Order,³ such a relinquishment of an ETC designation does not change the level of the cap in the affected state or insular area jurisdiction. To the extent there is any impact on the cap, the relinquished funds are redistributed to other competitive ETCs in the state or insular area.⁴ The Commission has also sought comment on a proposal to modify its rules to enable it to direct the Universal Service Administrative Company (“USAC”) to reserve reclaimed funds while the Commission considers broadband universal service reform.⁵

There is considerable opposition in the record to the Commission’s proposal to reduce the amount of high-cost funds available to competitive ETCs, and supporters of the proposal fail to provide convincing reasons that any such action is necessary, appropriate, or sound public policy. Moreover, there is little support for the Commission’s proposal to amend its rules to enable the government to warehouse high-cost funds for an indefinite period.

II. DISCUSSION.

The Commission appears to rest its proposals in the *Notice* on the following tentative conclusions: (1) There is a continuing need to “rein in” high-cost disbursements; (2) additional support to competitive ETCs “would not necessarily result in future deployment of expanded service[;]” (3) its proposal will not reduce support to any individual competitive ETCs; and (4)

³ *High-Cost Universal Service Support*, Order, 23 FCC Rcd 8834 (2008) (“*Interim Cap Order*”), *aff’d*, *Rural Cellular Ass’n v. FCC*, 588 F.3d 1095 (D.C. Cir. 2009).

⁴ For example, State A has a monthly cap of \$400,000 and a current pre-cap competitive ETC support total of \$500,000, yielding a cap reduction factor of 0.80. Carrier A, which receives \$200,000 per month in pre-cap support, relinquishes its ETC designation. Of the \$200,000 for which Carrier A was formerly eligible, \$100,000 is used to bring the pre-cap support level down to the \$400,000 cap. The remaining \$100,000 is returned to the universal service fund. This issue is discussed in greater detail in Section II.B., *infra*.

⁵ *Notice* at para. 25.

reducing the pool of support in the states will result in more effective use of the funds to advance broadband programs.⁶ The record shows that the Commission is wrong on all counts.

A. The Record Reflects Strong Opposition to the Commission’s Proposal To Block the Redistribution of Reclaimed High-Cost Support to Competitive ETCs.

Numerous parties have criticized the Commission’s proposal that high-cost funds reclaimed from carriers relinquishing their ETC status should no longer be redistributed to other competitive ETCs. These parties have pointed out that rural states and insular areas, competitive ETCs, and, ultimately, consumers would be harmed if competitive ETCs are denied access to the reclaimed funds. Commenters supporting the Commission’s proposal advance several arguments regarding the disadvantages of redistributing the funds, none of which has any merit.

1. There Is Substantial Evidence That Consumers, States and Insular Areas, and Competitive ETCs Would Be Unfairly Disadvantaged by the Proposal.

The record supports the conclusion that the Commission’s proposal to warehouse, instead of redistributing, high-cost support reclaimed as a result of carriers relinquishing their ETC status would be harmful to consumers, to states and insular areas, and to competitive ETCs serving rural and high-cost areas.

The essence of the proposal is that, if a carrier relinquishes its ETC status in a state, then the amount of high-cost support available in that state pursuant to the interim cap will be reduced by the amount formerly available to the departing ETC in its last month of eligibility. Depriving states of this high-cost funding will have significant adverse consequences for consumers in the affected states because it will hinder the expansion and delivery of wireless services in the states. The New Mexico Public Regulation Commission (“New Mexico Commission” or “NM PRC”),

⁶ *Id.* at para. 24.

for example, points out that, if the Commission’s proposal were applied to all carriers relinquishing their ETC status in New Mexico, this action would block redistribution of between 25 and 33 percent of the entire capped high-cost funding available in New Mexico.⁷

The New Mexico Commission expresses concern (citing the Commission’s waiver of its rules in the *Order* to block redistribution of funding surrendered by Alltel) that the unavailability of these reclaimed funds creates “the potential for serious impacts on telecommunications infrastructure build-out by CETCs in our state”⁸ and advises that the funding “should remain in New Mexico for distribution to other CETCs for the purpose of expanding and upgrading facilities in unserved and underserved areas.”⁹

The Rural Cellular Association (“RCA”) observes that “[r]eclaiming support from relinquishing CETCs *will* drastically reduce the total amount of high-cost support available to certain states”¹⁰ and provides several calculations of the impacts states would have experienced if the Commission had adopted its proposed rule two years ago. For example, according to RCA’s analysis, the proposed rule would have led to a 29 percent reduction in high-cost support available in Maine, a 94 percent reduction of funds available in Vermont, and a 100 percent reduction of funds available in New Hampshire.¹¹

The Virgin Islands Public Services Commission (“Virgin Islands Commission” or “VI PSC”) supplies a perspective on the impact of the Commission’s proposal in insular areas, noting that the relinquishment of ETC status by the island’s largest competitive ETC:

⁷ NM PRC Comments at 4.

⁸ *Id.* at 2.

⁹ *Id.*

¹⁰ RCA Comments at 3 (emphasis in original).

¹¹ *Id.* at 4.

could effectively reduce the cap to almost zero and could jeopardize basic wireless access in those areas that are currently under-served or unserved. If no USF funds are available, no carrier would apply for ETC designation and there would be no obligation for any carrier to build wireless infrastructure in those areas.¹²

The record reflects the fact that the Commission's proposal to take high-cost funds away from the states and insular areas has real consequences, and that these consequences do not bode well for the effective deployment of wireless services in unserved and underserved areas.

These adverse effects become even clearer when the impact of the Commission's proposal on competitive ETCs is examined. Although the Commission acknowledges in its Initial Regulatory Flexibility Statement that "the purpose of the proposed rule is to reduce the amount of high-cost universal service support received by competitive ETCs[,]"¹³ the Commission also asserts the contrary, indicating that reclaiming support from relinquishing CETCs "will not reduce support flowing to any individual competitive ETC."¹⁴ Based on USAC's published data and the cap mechanism established by the Commission, this latter claim does not appear to be the case. As the Joint Commenters understand it, based on available information published by USAC, the Commission's proposal would in fact have a devastating impact on the capped levels of support received by competitive ETCs in many states.

According to the *Notice*, when a carrier relinquishes ETC status, the state cap is reduced "by the amount of the support that the competitive ETC was eligible to receive in its final month of eligibility, annualized."¹⁵ If the total pre-cap support available to competitive ETCs in the

¹² VI PSC Comments at 4 (footnotes omitted).

¹³ *Notice*, App. C (Initial Regulatory Flexibility Analysis) at para. 30, *cited in* MTPCS, LLC d/b/a Cellular One ("MTPCS") Comments at 5; Rural Independent Competitive Alliance ("RICA") Comments at 6.

¹⁴ *Notice* at para. 24.

¹⁵ *Id.* at para. 23.

state has increased since March 2008—which is the case in most states¹⁶—and the relinquishing carrier was eligible for a substantial percentage of the support in its final month of eligibility, the remaining competitive ETCs in the state will experience significant cuts in support under the Commission’s proposal. In some cases, the remaining competitive ETCs will be left with nothing. This potential effect is demonstrated below in a series of scenarios in which Verizon Wireless withdraws as an ETC in various states.¹⁷

For example, in Wisconsin, the annual cap is currently \$57,905,280. Based on USAC’s fourth quarter 2010 projections, uncapped competitive ETC support in the state¹⁸ is \$76,981,224 with a resulting cap factor of 0.75 ($\$57,905,280 \div \$76,981,224$). If all entities controlled by Verizon Wireless were to relinquish ETC status effective October 31, 2010, the Verizon Wireless entities would be eligible for \$2,419,866 in their final month of eligibility, or \$29,038,392 annualized.

Under the Commission’s proposal, the resulting cap in Wisconsin would be \$28,866,888 ($\$57,905,280 - 29,038,392 = \$28,866,888$). Without the Verizon Wireless entities, uncapped competitive ETC support in the state would be \$47,942,832 ($\$76,981,224 - \$29,038,392$), with a resulting cap factor of 0.60 ($\$28,866,888 \div \$47,942,832$). In other words, under the Commission’s proposal, relinquishment by the Verizon Wireless entities would result in other carriers experiencing a 40 percent cap reduction instead of a 25 percent cap reduction ($\$28,866,888$ compared to $\$57,905,280$).

¹⁶ See Exhibit A, showing a cap impact of less than 1.00 in most states, signifying total support in excess of March 2008 capped amounts.

¹⁷ Verizon Wireless was selected for this purpose because it has, in fact, relinquished ETC status in several states and has not publicly ruled out the possibility of doing so in additional states in the future.

¹⁸ This example does not include the Interstate Access Support (“IAS”) adjustments, which would have a nominal impact in Wisconsin.

To take another example, in North Carolina, the annual cap is currently \$10,175,832. Based on USAC's fourth quarter 2010 projections, total competitive ETC support in the state (after IAS adjustment) is \$49,610,174, with a resulting cap factor of 0.21 ($\$10,175,832 \div \$49,610,174$). If all entities controlled by Verizon Wireless were to relinquish ETC status effective October 31, 2010, the Verizon Wireless entities would be eligible for \$2,484,441 in their final month of eligibility, or \$29,813,289 annualized. Under the Commission's proposal, because the Verizon Wireless entities were eligible for an amount that was greater than the cap amount, the resulting cap in North Carolina would be zero. Therefore, although rural consumers in North Carolina would be eligible to receive a total of \$19,796,885 per year in investment ($\$49,610,174 - \$29,813,289$) under the current cap rule, they would be left with no support at all under the Commission's proposal.

The following table summarizes the impacts of the Commission's proposal in Wisconsin and North Carolina, as well as in other selected states:

State	Current Cap	Current Cap Factor	Cap Minus Verizon Wireless Support	Adjusted Cap Factor
Colorado	\$7,640,520	0.58	\$2,946,886	0.35
Georgia	\$26,140,800	0.69	\$0	0.00
Kansas	\$87,933,492	0.75	\$16,150,719	0.35
Nebraska	\$59,874,552	0.80	\$5,178,152	0.25
Nevada	\$6,369,252	0.63	\$0	0.00
New Mexico	\$15,975,060	0.43	\$6,654,993	0.24
N. Carolina	\$10,644,516	0.21	\$0	0.00
Virginia	\$15,207,864	0.55	\$2,045,928	0.14
Virgin Islands	\$948,408	0.74	\$0	0.00
Wisconsin	\$57,905,280	0.75	\$28,866,888	0.60
Wyoming	\$17,560,128	0.79	\$4,314,121	0.48

The reductions faced by rural states, which will be imposed before competitive ETCs have any opportunity to secure universal service support pursuant to the Commission’s yet-to-be-established broadband funding mechanisms, raise the question of how the reductions would affect the current and near-term operations of competitive ETCs and the level of service that can be provided to consumers in rural areas. Commenters addressing this issue make it clear that, because the Commission’s proposal “will lead to the continued decimation of competitive ETC support[,]”¹⁹ the ability of competitive ETCs to deploy infrastructure and provide wireless services would be impaired.

The New Mexico Commission, for example, points out that competitive ETCs in New Mexico “would be impacted by the non-redistribution of the relinquished support to the State’s CETCs [because it would] limit[] their ability to build out facilities and serve tribal members in rural areas.”²⁰ The Joint Commenters also agree with RCA that the Commission’s proposal “inhibits capital investment in rural areas because it forces current and prospective CETCs to modify their business plans knowing that this proposal may soon become reality.”²¹

Ultimately, consumers in rural and high-cost areas would be harmed by the Commission’s proposal. Although the Commission has begun the steps necessary to “repurpose” the reclaimed funds for use in supporting the deployment of mobile wireless broadband,²² it could be months or even years before the Commission has a Connect America Fund or another mechan-

¹⁹ Rural Telecommunications Group, Inc. (“RTG”), Comments at 6.

²⁰ NM PRC Comments at 3.

²¹ RCA Comments at 9.

²² *Universal Service, Mobility Fund*, WT Docket No. 10-208, Notice of Proposed Rulemaking, FCC 10-182 (rel. Oct. 14, 2010) (“*Mobility Fund Notice*”).

ism in place to provide universal service broadband support to competitive ETCs that will lose existing funding if the Commission’s proposal in this proceeding is adopted. In the meantime, consumers will be disadvantaged because competitive ETCs will have fewer resources to use in deploying infrastructure to increase coverage and to improve the scope and quality of their services.

As MTPCS explains, its operations in Montana are subject to build-out rules established by the Montana Public Service Commission, pursuant to which MTPCS must “build its network coverage to reach 98% of the far-flung population of that geographically large, mountainous state.”²³ The reduction of high-cost support contemplated by the Commission’s proposed rule will make it difficult to meet this obligation, to the detriment of consumers.

2. Arguments Made by Supporters of the Proposal Do Not Have Any Merit.

Proponents of the Commission’s proposal not to redistribute reclaimed funds to competitive ETCs argue that the funds would be used to support multiple, duplicative wireless networks, that redistribution would harm competition, that withholding the funds from competitive ETCs is necessary to “rein in” USF growth, that redistribution would hamper the deployment of broadband infrastructure, and that redistribution would amount to a windfall for competitive ETCs. All of these claims lack any merit.

a. Concerns Regarding Redundant Competitive ETC Networks Are Misplaced.

Supporters of the Commission’s proposal argue that authorizing the redistribution of reclaimed high-cost support to competitive ETCs is not advisable because the funding would be

²³ MTPCS Comments at 13.

used by “multiple duplicative carriers in a single area.”²⁴ This concern confuses competitive entry (which directly benefits consumers, and which is promoted by the Communications Act of 1934 (“Act”) and by Commission policies) with the “duplicative” provision of service.

Because of the portability of high-cost funding among wireless competitive ETCs, there is no plausible basis for alleging that the Universal Service Fund (“USF”) is providing duplicative support to consumers in rural areas. As U.S. Cellular recently explained in another Commission proceeding:

The fact is that the number of wireless competitive ETCs that may provide service in the same area is limited by the number of customers in that area, since USF support is fully portable among wireless ETCs. In almost all cases, the cost of supporting multiple competitive ETCs in the same area is at or below the cost of supporting a single incumbent LEC [local exchange carrier].²⁵

MTPCS explains that “[a] competitive marketplace does *not* result in duplicative support where support is portable, as it is with CETCs; instead, it works to the benefit of the public.”²⁶ Where support is making the difference between no coverage, some coverage, and entry by one or more carriers using their own funds to supplement universal service support, the benefit to rural consumers is extraordinary, and it is precisely what the pro-competitive Telecommunications Act of 1996 asked the Commission to do. The Commission should reject arguments that it must deny competitive ETCs access to reclaimed high-cost funds because the reclaimed funds will simply

²⁴ Independent Telephone and Telecommunications Alliance (“ITTA”) Comments at 3. *See* CenturyLINK Comments at 1; Public Utilities Commission of Ohio (“Ohio PUC”) Comments at 4; Sprint Nextel Corporation (“Sprint”) Comments at 3-4; United States Telecom Association Comments at 3.

²⁵ U.S. Cellular Reply Comments, WC Docket Nos. 10-90 and 05-337, GN Docket No. 09-51, filed Aug. 11, 2010 (“U.S. Cellular August 11 Reply”), at 24-25.

²⁶ MTPCS Comments at 6 (emphasis in original). *See id.* at 16 (emphasis in original) (indicating that “[w]hether the service areas of two or three or four CETCs overlap is not relevant to the amount of support disbursed, because each CETC only receives support for the customers it serves. Thus, the primary effect of supporting multiple carriers in a single geographic area is not an increase in support—the only duplication of support is any extent to which an incumbent wireline carrier is still paid support for lines it lost to the competitive carriers—customers that it no longer serves.”); NM PRC Comments at 3.

be used to support “duplicative” networks. Consumers in rural and high-cost areas should have the opportunity to choose the carrier that best suits their needs, similar to that which is available to citizens living in urban areas.

Verizon Wireless offers a similar argument, claiming that competitive ETCs should not receive high-cost support in areas that are already being served by carriers that do not receive any universal service support,²⁷ the implication being that the Commission should take the prophylactic step of blocking redistribution of reclaimed high-cost support in order to avoid any unnecessary subsidization in these areas. While the Joint Commenters do not disagree that high-cost support may be unnecessary in areas in which competitive choices have emerged without the disbursement of high-cost support, the problem with Verizon Wireless’ argument is that it presumes (without demonstrating) that these circumstances are so widespread that they compel a complete denial of access to reclaimed support by all competitive ETCs.

In actuality, however, the difficulties associated with providing service in rural, sparsely populated areas often result in the absence of any service providers that do not receive universal service support.²⁸ U.S. Cellular has demonstrated that coverage provided by unsubsidized carriers can be overstated,²⁹ and that, in its own case, U.S. Cellular “provides substantial additional

²⁷ Verizon and Verizon Wireless (“Verizon Wireless”) Comments at 3, 4.

²⁸ See Omnibus Broadband Initiative, FCC, CONNECTING AMERICA: THE NATIONAL BROADBAND PLAN (Mar. 16, 2010) (“National Broadband Plan”) at 136 (footnote omitted) (noting that the “broadband availability gap is greatest in areas with low population density. Because service providers in these areas cannot earn enough revenue to cover the costs of deploying and operating broadband networks, including expected returns on capital, there is no business case to offer broadband services in these areas. As a result, it is unlikely that private investment alone will fill the broadband availability gap.”).

²⁹ U.S. Cellular August 11 Reply at 26. See MTPCS Comments at 14 (emphasis in original) (explaining that “[t]he fact that any carrier or competitor provides service to a portion of a market area does not entitle the makers of competition maps to designate the entire market area as served. Many areas of Montana remain unserved or seriously underserved. Not all residents of the state can be reached at their homes

coverage beyond that which is offered by the largest wireless carriers offering unsubsidized service in each state.”³⁰ Thus, Verizon Wireless’ assertions that redistributed high-cost support would fund the provision of service in areas already served by unsubsidized carriers do not provide a reasonable foundation supporting the Commission’s proposal.

b. Redistribution of Surrendered High-Cost Support Would Not Harm Competition.

Sprint argues that redistributing reclaimed high-cost support would have “serious anti-competitive consequences[,]”³¹ claiming that, since competitive ETCs generally relinquish support to comply with merger-related requirements imposed by the Commission, and not because they no longer have a need for the support, this loss of support—coupled with the redistribution of support to other competitive ETCs—would undercut the competitive position of the relinquishing competitive ETCs.³²

While the Joint Commenters are sympathetic regarding the coercive aspects of Sprint’s giving up its high-cost support in connection with its merger arrangements, it would nonetheless be an odd and unreasonable result for the Commission to protect Sprint’s competitive position by denying redistribution of reclaimed support to other competitive ETCs who are actively interested in serving rural America. As the Joint Commenters have explained, consumers would ultimately suffer from such an action because competitive ETCs would be less able to expand and improve their wireless networks in unserved and underserved areas.

with copper wires, let alone DSL or cable. The terrain and weather conditions in much of the state are challenging.”).

³⁰ Letter from David A. LaFuria, Counsel for U.S. Cellular, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-337, filed July 24, 2007, at 1.

³¹ Sprint Comments at 2.

³² *Id.* at 2-3. See Verizon Wireless Comments at 3.

It also is important to view this issue of competition from a different perspective. The Virgin Islands Commission, for example, points out that, in cases in which the Commission's refusal to redistribute reclaimed funds results in sharp reductions in overall funding available in a state or insular area, competitive entry would be adversely affected because new carriers would have little incentive to seek ETC designations. This adverse effect on competition, together with the loss of incentives for network deployment and improvement, "would surely undermine the major tenets of the FCC's policies regarding universal telecommunications access."³³ The bottom line, in the Joint Commenters' view, is that the Commission's proposal runs counter to its own pro-competitive policies because the proposal would discourage competitive entry and hinder the operations of competitive ETCs already serving rural and high-cost areas.

c. The Commission's Proposal Would Have Little Effect on "Reining In" the Level of High-Cost Support.

Supporters of the Commission's proposal claim that redistributing reclaimed funds would be inconsistent with the interim cap, which is intended to serve as a cost control measure "reining in" high-cost disbursements for the benefit of consumers who contribute to USF.³⁴

This argument does not explain how penalizing rural states and insular areas by reducing the level of high-cost support available in their jurisdictions will address the growth of the USF. Although the *Notice* refers to the goal of the *Interim Cap Order* to rein in high-cost support disbursements,³⁵ and some commenters argue that permitting redistribution of reclaimed funds

³³ VI PSC Comments at 6.

³⁴ See ITTA Comments at 3; Ohio PUC Comments at 3-4; Sprint Comments at 3; Verizon Wireless Comments at 4.

³⁵ *Notice* at para. 24.

would be inconsistent with this goal,³⁶ neither the *Notice* nor the commenters attempt to make a case that capped disbursements being made to competitive ETCs continue to pose a threat to the sustainability of USF. In fact, there is evidence that continuing upward pressures on the level of USF contributions have little to do with competitive ETC high-cost disbursements. As Time Warner observed in a recent pleading, “[i]t appears that the primary effect of the CETC cap has been to widen the disparity between the funding awarded to incumbents and to competitors.”³⁷

Finally, the arguments made by supporters of the Commission’s proposed rule might be more credible if the Commission planned to use reclaimed high-cost support to reduce the contribution factor. Since the Commission has proposed no such plan, it is difficult to maintain that redistribution of the reclaimed funds would have any more effect on efforts to “rein in” high-cost support than would the Commission’s own proposal (*i.e.*, to warehouse the funds).

In the Joint Commenters’ view, redistributing reclaimed support to competitive ETCs would have only a negligible effect on the contribution factor, since, as Time Warner has suggested, other forces are driving upward pressures on the high-cost fund. These upward pressures can only be satisfactorily addressed through comprehensive reform of the universal service mechanisms, not this proposed revision to the interim cap.

d. Redistribution of Surrendered Support Would Increase Broadband Deployment.

Sprint argues that the Commission’s proposal should be adopted because redistributing relinquished high-cost funds to competitive ETCs for use in connection with their provision of

³⁶ *See, e.g.*, ITTA Comments at 3.

³⁷ Time Warner Cable Inc. (“Time Warner”) Comments, WC Docket Nos. 10-90 and 05-337, GN Docket No. 09-51, filed July 12, 2010, at 7 (footnote omitted), *cited in* MTPCS Comments at 18.

voice services would do little to promote broadband deployment.³⁸ It is fair to say that just the opposite is true: Redistribution will be more productive in the near-term than warehousing the funds in expanding the deployment of broadband-ready networks in rural and high-cost areas.

The New Mexico Commission, for example, explains that wireless competitive ETCs currently are using high-cost support to assist in their deployment of advanced 3G network infrastructure capable of providing both voice and broadband services.³⁹ The Virgin Islands Commission similarly notes that “the same infrastructure that is utilized for provision of essential voice and data services today will be needed for broadband tomorrow. These cell sites and network equipment must be maintained if broadband is to be overlaid and become a reality.”⁴⁰

The New Mexico Commission reasonably concludes that the Commission’s efforts to promote broadband deployment “should not be done at the expense of the provisioning of telephone service in unserved areas at the current time.”⁴¹ Unfortunately, that is the path the Commission will be following if it adopts its proposal. At best, the warehousing of reclaimed high-cost funds will impose a hiatus in which current efforts by competitive ETCs to deploy broadband-ready cell sites will be hampered and diminished, while the Commission continues its long-running efforts to reform universal service.⁴²

At worst, the progress being made by wireless competitive ETCs in deploying networks in rural and high-cost areas will be curtailed indefinitely. This latter scenario could unfold if the

³⁸ Sprint Comments at 3-4.

³⁹ NM PRC Comments at 5.

⁴⁰ VI PSC Comments at 6.

⁴¹ NM PSC Comments at 5.

⁴² See, e.g., *Connect America Fund, A National Broadband Plan for Our Future, High-Cost Universal Service Support*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 05-337, Notice of Inquiry and Notice of Proposed Rulemaking, 25 FCC Rcd 6657 (2010) (“*USF Reform NOI and NPRM*”).

Commission goes forward with its proposed single-winner reverse auction mechanism as a means of allocating Mobility Fund support⁴³ and fails to develop mechanisms that ensure that smaller wireless carriers serving rural and high-cost areas are provided with fair and practical options for participating in the auction process.

Verizon Wireless argues that permitting redistribution of reclaimed funds would contradict the Commission's plan to eliminate funding for legacy voice services altogether in order to make funding available for broadband deployment.⁴⁴ Again, it is reasonable to conclude that the opposite is true. The Commission has sought comment on phasing out funding for legacy services over a five-year period⁴⁵ and it is not clear how the redistribution of reclaimed funds would "significantly delay"⁴⁶ this transitional process. Redistributed funding would be subject to the five-year phase-out period together with all other funding received by competitive ETCs.

On the other hand, the Commission's proposal to warehouse reclaimed support represents a flash-cut reduction (not a phased-in reduction) of already-capped support. The level of this flash-cut reduction would be significant in some states. Such a result would seem to contradict the Commission's reasonable preference for phasing in support reductions, to coincide with the implementation of the Commission's new broadband funding mechanisms.

The Commission, of course, does not appear to have the option of phasing in the proposed reductions in the states' capped amounts over five years, because the Commission is intent upon reserving these funds for future use in its broadband funding mechanisms. The Commission's proposal, at bottom, involves short-term pain (meted out disproportionately to wireless

⁴³ See *Mobility Fund Notice* at paras. 56-76.

⁴⁴ See Verizon Wireless Comments at 3.

⁴⁵ *USF Reform NOI and NPRM*, 25 FCC Rcd at 6681 (para. 60).

⁴⁶ Verizon Wireless Comments at 3.

competitive ETCs and rural states) for the possibility of gain at some indeterminate time in the future. In this regard, the proposal is not consistent with the Commission’s principle of competitive neutrality,⁴⁷ because high-cost funding support available to wireless competitive ETCs would be further reduced without any reduction in the ongoing levels of support made available to incumbent LECs.

e. Redistribution Would Not Create a “Windfall” for Competitive ETCs.

Verizon Wireless claims that “[t]he state-specific caps were not designed to allow competitors of CETCs that relinquish their ETC status to receive a windfall.”⁴⁸ According to Verizon Wireless, redistribution would violate the *Interim Cap Order*, “[w]hich does not contemplate an increase in a CETC’s support as a result of another carrier’s relinquished ETC status.”⁴⁹

The Joint Commenters disagree with Verizon Wireless’ analysis. The Commission has acknowledged that, pursuant to the *Interim Cap Order*, if a carrier “relinquish[es] its ETC status in one or more service areas, the total amount of support available to competitive ETCs in those areas under the *Interim Cap Order* would remain the same.”⁵⁰ It follows that the share of each remaining competitive ETC would be increased. To avoid this result—and to capture reclaimed funds for other uses—the Commission explained that, “[i]n the NPRM that follows this order, we seek comment on adjusting the interim cap when a carrier has relinquished its ETC status.”⁵¹

⁴⁷ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8802 (para. 48) (1997) (subsequent history omitted).

⁴⁸ Verizon Wireless Comments at 4.

⁴⁹ *Id.*

⁵⁰ *Order* at para. 12.

⁵¹ *Id.*

Thus, there is no “windfall.” The *Interim Cap Order* requires redistribution of relinquished funds; the Commission is seeking to change the *status quo*.

In the Joint Commenters’ view, additional amounts received by remaining competitive ETCs are not a “windfall,” but rather are a partial restoration of the support amounts they were entitled to receive prior to imposition of the cap. In any event, no carrier will receive *more* than it would have received absent the cap. This is a fair result (as well as a result contemplated by the *Interim Cap Order*) because it eases the difficulties faced by competitive ETCs in attempting to meet build-out requirements, expand their networks, and improve service offerings under the yoke of the cap,⁵² while also leaving undisturbed the remedy the Commission adopted in the *Interim Cap Order* for addressing growth in the size of the fund. This latter result is achieved by leaving overall cap amounts unchanged when a carrier relinquishes its ETC status. In the *Notice*, the Commission is seeking to generate a windfall for itself, by changing the ground rules of the *Interim Cap Order* in order to free up funds for its future use as it attempts to develop universal service broadband programs.

B. The Current Rules Already Ensure That Relinquished Support Is Reclaimed for Other Purposes.

Supporters of the Commission’s proposal argue that a change to the cap is necessary to ensure that a relinquishing carrier’s support is repurposed for other uses. On the contrary, the cap mechanism already ensures that a significant portion of relinquished support will be reclaimed and not redistributed to other competitive ETCs. Therefore, the proposed changes are not necessary to promote the Commission’s broadband deployment objectives.

⁵² A yoke that was imposed unilaterally on wireless competitive ETCs, and not on incumbent LECs, notwithstanding the fact that incumbent LECs are competing against the competitive ETCs and incumbent LECs were receiving, and continue to receive, the lion’s share of high-cost support, even as their line counts decline at precipitous rates.

The cap mechanism is currently structured in such a way that some or all of a relinquishing carrier's support may be reclaimed for other purposes. Competitive ETCs are impacted by the cap only to the extent that total competitive ETC support in the state involved exceeds the March 2008 cap amount. If the amount of support the relinquishing carrier was eligible to receive is greater than the difference between the total competitive ETC support and the March 2008 cap amount, then only a portion of the relinquishing carrier's support will be redistributed to other competitive ETCs. The rest is reclaimed for other uses.

The Joint Commenters provide examples below, using USAC data, showing scenarios under which a carrier's relinquishment would result in some or all of its support being reclaimed without any change to the cap mechanism.

- For example, in Florida, a state in which Sprint has just filed a request for relinquishment of ETC status, total competitive ETC support is currently less than the March 2008 cap. Sprint is currently eligible to receive approximately \$4.8 million per year. Because there is no cap impact, none of Sprint's support will be redistributed to other competitive ETCs in that state. Instead, *all* of the \$4.8 million in annual support will be reclaimed for other purposes.
- In Nebraska, total competitive ETC support currently exceeds the March 2008 cap by approximately \$15.4 million per year. The entities controlled by Verizon Wireless are currently eligible to receive approximately \$54.7 million per year. If those entities relinquished ETC status, approximately \$39.3 million—roughly *72 percent* of the support for which they were eligible—would be reclaimed for other purposes.
- In Kansas, total competitive ETC support currently exceeds the March 2008 cap by approximately \$29.6 million per year. The entities controlled by Verizon Wireless are

currently eligible to receive approximately \$71.8 million per year. If those entities relinquished ETC status, approximately \$42.2 million—roughly 59 percent of the support for which they were eligible—would be reclaimed for other purposes.

- In Washington, total competitive ETC support is currently less than the March 2008 cap. AT&T is currently eligible to receive approximately \$22 million per year. If AT&T relinquishes its ETC status, because there is no cap impact, none of AT&T's support will be redistributed to other competitive ETCs in that state. Instead, all of the \$22 million in annual support will be reclaimed for other purposes.
- In Louisiana, a state in which AT&T recently filed a request for relinquishment of ETC status, total competitive ETC support is currently less than the March 2008 cap. AT&T is currently eligible to receive approximately \$49.8 million per year. Because there is no cap impact, none of AT&T's support will be redistributed to other competitive ETCs in that state. Instead, all of the \$49.8 million in annual support will be reclaimed for other purposes.
- In Wyoming, where Verizon Wireless has recently filed a request to relinquish ETC status, total competitive ETC support currently exceeds the March 2008 cap by approximately \$5.3 million per year. The entities controlled by Verizon Wireless are currently eligible to receive approximately \$13.2 million per year. If those entities relinquished ETC status, approximately \$7.9 million—roughly 60 percent of the support for which they were eligible—would be reclaimed for other purposes.

While there may be cases where a relinquishing carrier's support is less than the amount needed to eliminate cap impacts within a state, the Joint Commenters have provided six examples in which the current rules would provide for a total of \$166 million per year being rec-

laimed for other purposes and not redistributed to other competitive ETCs. This is not an exhaustive list, as there are other states and other scenarios under which additional support would be reclaimed without any changes to the rules.

C. There Is Substantial Opposition to the Proposed Rule Permitting the Commission To Instruct USAC To Warehouse High-Cost Support Surrendered by Carriers Relinquishing Their Competitive ETC Designations.

In order for the Commission to complete its plan to impose flash-cut reductions on states and competitive ETCs as a means of shifting funds into its broadband program, it must amend its rules to give itself the authority “to direct USAC to reserve funds [on a permanent basis] as we consider broadband universal service reform.”⁵³ The proposal would codify a waiver of the rules the Commission adopted in the *Order* for purposes of enabling the warehousing of support relinquished by Sprint and Verizon Wireless.⁵⁴

This proposal to amend Section 54.709(b)⁵⁵ has been greeted with substantial opposition from commenters. The Joint Commenters join in this criticism of the Commission’s proposal, endorsing numerous of the arguments made against the Commission’s proposed rule amendment.

First, the Joint Commenters agree with RTG that the proposed rule amendment violates the Act. Section 254(b)(5) requires that universal service support mechanisms must be specific and predictable.⁵⁶ As RTG points out, the Commission’s warehousing proposal meets neither

⁵³ *Notice* at para. 25.

⁵⁴ *Id.*

⁵⁵ 47 C.F.R. § 54.709(b).

⁵⁶ 47 U.S.C. § 254(b)(5). *See* 47 U.S.C. § 254(d) (providing that “[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service”).

criterion.⁵⁷ In the Joint Commenters' view, pulling funds out of an existing mechanism that does meet the requirements of Section 254(b)(5), and reserving these funds for use at some unspecified future date in a mechanism that does not currently exist and the genesis of which cannot be accurately predicted, takes the Commission's proposal well beyond the bounds of the statute. In addition, uncertainty created by a warehousing proposal renders support unpredictable, impeding a carrier's ability to do appropriate business planning. It is this very unpredictability that Congress directed the Commission to avoid when adopting support mechanisms.

Second, SouthernLINC presents a convincing argument that the proposed rule amendment would turn universal service collections from fees into taxes, in violation of the Origination and Taxing Clauses of the U.S. Constitution.⁵⁸ Further, as Verizon Wireless explains, universal service funding mechanisms have been held permissible so long as collections are structured as fees that establish some nexus between payers and beneficiaries of the universal service programs. In this case, there is no means of determining these beneficiaries while the reclaimed funds are warehoused, because the Commission has not yet acted to establish the broadband funding mechanisms.⁵⁹

These issues surrounding the Commission's authority to warehouse reclaimed high-cost funds represent a serious impediment to the Commission's plans "to accelerate our nation's ongoing effort to close [the] mobility gap in a fiscally responsible manner"⁶⁰ by initiating a rule-making to establish a Mobility Fund as a universal service funding mechanism. It is not clear

⁵⁷ RTG Comments at 4. *See* Verizon Wireless Comments at 5.

⁵⁸ Southern Communications Services, Inc. d/b/a SouthernLINC Wireless and the Universal Service for America Coalition ("SouthernLINC") Comments at 2-3. *See* Verizon Wireless Comments at 5-6.

⁵⁹ Verizon Wireless Comments at 6 (citing *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393, 427-28 (5th Cir. 1999)).

⁶⁰ *Mobility Fund Notice* at para. 1.

how the Commission can successfully proceed with the establishment of a Mobility Fund (if it chooses to do so after evaluating the record produced by the *Mobility Fund Notice*) if fundamental legal issues involving the source of disbursements to be made by the Mobility Fund have not been resolved. Moreover, as RTG has pointed out, the Commission in the *Notice* did not provide any analysis of its authority for warehousing the relinquished support.⁶¹

Finally, the Commission's proposal to place the reclaimed funds in reserve is harmful to consumers, in two respects. The Joint Commenters agree with MTPCS' concern that "[f]ailure to spend funds needed for service to high cost areas today would prevent deployment and maintenance of the infrastructure needed for broadband tomorrow, thus further delaying the deployment of broadband."⁶² Consumers in rural America would be harmed by a plan that results in insufficient funding for infrastructure and basic services in rural areas, "even if the goal is to hold the basic service funds in reserve for future broadband use"⁶³

Moreover, as RTG explains, "[c]onsumers should not be asked to fund a legally suspect and undefined future fund."⁶⁴ Consumers contributing to the USF have a reasonable expectation that their contributions will be used expeditiously to fund existing programs, as would be the case if reclaimed funds are redistributed to competitive ETCs.⁶⁵ Warehousing these contributed funds indefinitely breaks this compact with consumers. This problem is compounded by the fact that, as Sprint observes, it could take a considerable period of time for the Commission to adopt

⁶¹ RTG Comments at 3.

⁶² MTPCS Comments at 4.

⁶³ *Id.*

⁶⁴ RTG Comments at 5.

⁶⁵ See Section 54.709 of the Commission's Rules, 47 C.F.R. § 54.709, which specifically enumerates expenses for which contributions may be used, ensures that the level of contributions is not greater than necessary to fund the enumerated expenses, and requires that any excess contributions in a calendar quarter must be used to offset expenses in the following quarter.

“specific broadband USF reforms that are competitively neutral and otherwise in the public interest, and that can sustain possible judicial review.”⁶⁶ In the meantime, “any reserved funds will lie fallow and unproductive.”⁶⁷

A common theme among the comments criticizing the Commission’s proposal to warehouse reclaimed high-cost funds is that the Commission, in rushing to implement a component of the National Broadband Plan in what it perceives to be a “fiscally responsible”⁶⁸ manner, has lost sight of the near-term consequences for consumers in rural America, and for consumers generally. The Joint Commenters believe that, in the *Order* and the *Notice*, the Commission is “putting the cart before the horse.”⁶⁹ The Joint Commenters therefore join with the numerous commenters who urge the Commission to abandon its proposal to warehouse reclaimed funds.

D. The Commission Should Consider an Alternative Approach for Repurposing a Relinquishing Carrier’s Support.

One major deficiency of the Commission’s proposal is that it goes far beyond repurposing the relinquishing carrier’s support. By reducing the cap by the amount of support for which the relinquishing carrier was eligible in its final month of eligibility, the proposal results in the repurposing of not only the relinquishing carrier’s support, but also some, or potentially all, of the support for which the remaining competitive ETCs would otherwise be eligible.

The Joint Commenters do not agree that a relinquishing carrier’s ETC support should be removed from the capped support available to other competitive ETCs, and instead favor the redistribution of all of the relinquishing carrier’s support to other competitive ETCs, pursuant to

⁶⁶ Sprint Comments at 4.

⁶⁷ *Id.*

⁶⁸ *Order* at para. 1.

⁶⁹ Telephone Association of Maine Comments at 2.

the current terms of the *Interim Cap Order*. Nonetheless, the Joint Commenters also submit that the Commission's proposal is structured such that it causes greater reductions to other competitive ETCs' support than is warranted.

Specifically, the Commission should have instead proposed to adjust the pre-cap state-wide competitive ETC support total for the current period. For purposes of calculating the relevant cap factor percentage, the amount of the relinquishing competitive ETC's support in its final month of eligibility should remain within the pre-cap total for each future month. Further, all of the relinquishing carrier's support could then be reclaimed by the Commission for other purposes. Under this alternative, all other competitive ETCs within the state would receive their support after the application of that cap factor, which amount would be identical to what they are entitled to receive if the relinquishing carrier's support is reclaimed.

For example, in Virginia, where the Verizon Wireless entities currently receive \$13,161,936 and the total competitive ETC support is \$27,533,891, the Commission's proposal would reduce the annual cap of \$15,207,864, to \$2,045,928 ($\$15,207,864 - \$13,161,936$). The cap would then change from 0.55 ($\$15,207,864 \div \$27,533,891$) to 0.14 ($\$2,045,928 \div \$14,371,955$). Under the Joint Commenters' proposed alternative methodology, the Commission would not reduce the size of the cap. Instead, it would include the amount of support for which the Verizon Wireless entities were eligible prior to their relinquishment each time it calculates the cap. Thus, if all other competitive ETCs in the state are eligible to receive \$14,500,000 in January 2011, this would be added to the Verizon Wireless entities' formerly eligible support level of \$13,161,936 to achieve a total pre-cap support level of \$27,661,936. Using the unaltered March 2008 cap, the new cap factor for January 2011 would be 0.55 ($\$15,207,864 \div \$27,661,936$).

Should the Commission proceed with reclaiming the support associated with relinquishing carriers, the method suggested here would mitigate the level of the overall reduction in support available to affected states and is the proper way to ensure that the Commission's action would fulfill its stated goal that other competitive ETCs not be adversely affected by the Commission's disposition of a relinquishing carrier's support.⁷⁰

III. CONCLUSION.

The Joint Commenters understand the importance that the Commission has attached to its objective of converting the existing structure for universal service support into a program that will advance the goal of universal access to advanced broadband services. In this rulemaking proceeding, however, the Commission's zeal in pursuing this objective has led to proposals that will only harm rural states, insular areas, and consumers.

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⁷⁰ See Notice at para. 24.

For these reasons, and based upon the convincing evidence in the record regarding the harms that would ensue and the likelihood that the proposals would not be effective in advancing broadband deployment in the near term, the Joint Commenters respectfully urge the Commission not to adopt the rulemaking proposals discussed in these Reply Comments.

Respectfully submitted,



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October 21, 2010

EXHIBIT A

**Increases in Pre-Cap Support Available to
Competitive ETCs Since March 2008**

Date	State Study Area Code	State	State Cap Factor	IAS Cap Factor
201007	61	AK	0.569433141	0.598146034
201007	25	AL	0.417940548	0.598146034
201007	40	AR	0.95138756	0.598146034
201007	67	AS	0.76018982	0.598146034
201007	45	AZ	1	0.598146034
201007	54	CA	1	0.598146034
201007	46	CO	0.811256077	0.598146034
201007	13	CT	0	0.598146034
201007	56	DE	0	0.598146034
201007	21	FL	0.971534487	0.598146034
201007	22	GA	1	0.598146034
201007	66	GU	0.417332546	0.598146034
201007	62	HI	0.987346597	0.598146034
201007	35	IA	0.758570444	0.598146034
201007	47	ID	0.803645363	0.598146034
201007	34	IL	0.887237898	0.598146034
201007	32	IN	1	0.598146034
201007	41	KS	0.759995909	0.598146034
201007	26	KY	0.824219036	0.598146034
201007	27	LA	1	0.598146034
201007	11	MA	0	0.598146034
201007	18	MD	0	0.598146034
201007	10	ME	1	0.598146034
201007	31	MI	0.741930194	0.598146034
201007	36	MN	0.946531158	0.598146034
201007	42	MO	0.858515638	0.598146034
201007	65	MP	0.298138701	0.598146034
201007	28	MS	0.895464076	0.598146034
201007	48	MT	0.608001422	0.598146034
201007	23	NC	0.249818451	0.598146034
201007	38	ND	0.755721556	0.598146034
201007	37	NE	0.806428478	0.598146034
201007	12	NH	0.134859353	0.598146034
201007	49	NM	0.433908817	0.598146034
201007	55	NV	0.979749022	0.598146034
201007	15	NY	0.599032298	0.598146034
201007	30	OH	0	0.598146034
201007	43	OK	1	0.598146034
201007	53	OR	1	0.598146034
201007	17	PA	1	0.598146034
201007	63	PR	1	0.598146034
201007	58	RI	0	0.598146034
201007	24	SC	0.517148624	0.598146034
201007	39	SD	0.731393614	0.598146034
201007	29	TN	0.244512045	0.598146034
201007	44	TX	0.664828874	0.598146034

Date	State Study Area Code	State	State Cap Factor	IAS Cap Factor
201007	40	UT	1	0.598146034
201007	19	VA	0.563368822	0.598146034
201007	64	VI	0.637019433	0.598146034
201007	14	VT	0	0.598146034
201007	52	WA	1	0.598146034
201007	33	WI	0.793876882	0.598146034
201007	20	WV	1	0.598146034
201007	51	WY	0.819359175	0.598146034
201007	16			0.598146034
201007	57			0.598146034