

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
Developing an Unified Intercarrier Compensation Regime)	CC Docket No. 01-92

To: The Commission

**REPLY COMMENTS OF LOUISIANA CELLULAR, INC. AND
DELCAMBRE CELLULAR, LLC**

Louisiana Cellular, Inc. (“Louisiana Cellular”) and Delcambre Cellular, LLC (“Delcambre Cellular”), by their attorneys, hereby submit reply comments in the above-captioned Further Notice of Proposed Rulemaking.¹ Specifically, they urge the Commission to maintain existing transitional frozen support levels for wireless competitive Eligible Telecommunications Carriers (“CETCs”) even if support represents one percent (1.0%) or less of wireless revenues, at least when the public interest warrants. In the alternative, the Commission should at a minimum clarify that only the wireless revenues received by a specific CETC are considered in determining whether the support received by that CETC represents one percent or less of its revenues.

¹ *In the Matter of Connect America Fund, et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket No. 10-90, et al., released June 10, 2014 (*FNPRM*).

STATEMENT OF INTEREST

Louisiana Cellular, Inc. (“Louisiana Cellular”) and Delcambre Cellular, LLC (“Delcambre Cellular”) are general partners that, in the aggregate, own a majority interest in Acadiana Cellular General Partnership (“Acadiana Cellular”), which is managed by AT&T and in which an AT&T subsidiary, New Cingular Wireless PCS, LLC (“New Cingular”) is a minority general partner.² Acadiana Cellular was designated as an ETC by the Louisiana Public Service Commission and uses its USF support to provide service in the rural parishes of Acadia, Allen, Assumption, Avoyelles, Evangeline, Iberia, Pointe Coupee, St. Landry, and St. Mary.

THE COMMISSION SHOULD NOT ACCELERATE THE PHASE DOWN OF FROZEN CETC SUPPORT

Louisiana Cellular and Delcambre Cellular agree with AT&T and others that the Commission should not eliminate transitional frozen CETC support entirely and immediately for those CETCs for which such support comprises one percent or less of their wireless revenues.³ As AT&T correctly points out, there is simply nothing in the record to support the Commission’s assumption that carriers affected by this proposal are not using the targeted support to maintain existing service.⁴ On the contrary, as noted by the Competitive Carriers Association, “[w]here a wireless ETC does not rely on high-cost support for most of its service area—such that its existing support constitutes a relatively small percentage of total wireless revenues—that support

² Louisiana Cellular is an affiliate of Star Telephone Company, and Delcambre Cellular is an affiliate of Delcambre Telephone Company.

³ See, e.g., *Comments of AT&T Services, Inc.*; *Comments of Competitive Carriers Association*; *Comments of Cellular South Licenses, LLC d/b/a C-Spire*.

⁴ *Comments of AT&T* at p. 38; *FNPRM* at ¶253.

nevertheless may be vital to the carrier's continuing ability to serve the highest-cost segments of its service area."⁵

In the *USF/ICC Transformation Order*, when the Commission originally implemented the phase-out of competitive ETC support, it expressly concluded that "a transition is desirable in order to avoid shocks to service providers that may result in service disruptions for consumers."⁶ The Commission's accelerated 1% phase-down proposal could potentially cut support for affected carriers in as little as two weeks.⁷ And, as discussed in greater detail below, the Commission's proposal could have the unintended consequence of accelerating the phase-down for support that represents a significant portion of the wireless revenues being used by affected CETCs to continue providing service. Given the Commission's acknowledgement that the record does not contain enough evidence to support a more narrowly-tailored approach,⁸ Louisiana Cellular and Delcambre Cellular believe the Commission should consider the matter further. Such is particularly the case here, where public interest factors such as increased wireless coverage, are very much at issue.

**THE COMMISSION SHOULD CLARIFY THAT ATTRIBUTION RULES
WILL NOT APPLY IN CONSIDERING CETC WIRELESS REVENUE**

If the Commission nevertheless adopts some form of accelerated phase-down for CETCs, it must not aggregate revenues unrelated to providing the supported service (for example, by using various affiliation and attribution rules) to perform the ultimate accelerated phase-down test. Otherwise, for example, a partnership or limited liability company receiving CETC support

⁵ *Comments of Competitive Carriers Association* at p. 23.

⁶ *In re Connect Am. Fund*, 26 FCC Rcd 17663, 17830 (F.C.C. 2011). Indeed, the Commission reiterates its desire to avoid so-called "flash-cuts" in the *Report and Order* itself.

⁷ *Comments of AT&T* at p. 36.

⁸ *FNPRM* at ¶250.

may be subject to accelerated phase-down based entirely on the attributable revenues of one of its partners or members. This would unfairly and adversely impact the CETC's ability to continue providing service and would be based on revenues that are entirely unrelated to its operations – particularly where the attributed entity holds a minority interest and has no obligation or incentive to further fund the CETC. Therefore, Louisiana Cellular and Delcambre Cellular support AT&T's proposal to limit consideration to the wireless voice revenues of particular CETCs alone in order to evaluate whether an accelerated phase-down should apply.⁹

As noted above, Louisiana Cellular and Delcambre Cellular are majority general partners with AT&T affiliate New Cingular in Acadiana Cellular, and Acadiana Cellular relies on a combination of its own wireless revenues and its USF support to provide service. For Acadiana Cellular, USF support has met its statutory purpose by allowing the CETC to deploy and maintain towers and other facilities through its service area in areas that would otherwise be unaffordable to serve. USF receipts far exceed 1% of wireless revenues not only for Acadiana Cellular itself, but also for Louisiana Cellular and its affiliates, and for Delcambre Cellular and its affiliates. However, if the Commission were to apply a type of revenue attribution rule wherein the wireless revenues in unrelated markets of minority general partner New Cingular and/or its parent company AT&T became attributable to Acadiana Cellular, those wireless revenues alone would easily cause Acadiana Cellular to fall below the one-percent threshold even though the New Cingular and/or AT&T revenues in other markets do not support the provision of service by Acadiana Cellular. The language in the *NPRM* suggests that this is not the Commission's goal. Therefore, the Commission should clarify that only the revenues for the

⁹ *Comments of AT&T* at p. 38.

wireless service of a CETC itself will be considered in determining whether a CETC is subject to the proposed accelerated phase-down.

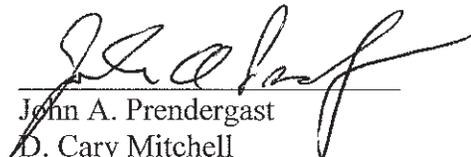
CONCLUSION

For the forgoing reasons, Louisiana Cellular and Delcambre Cellular urge the Commission not to adopt its proposal to eliminate support for service providers for which it represents one percent or less of wireless revenue. However, if the Commission nevertheless adopts its proposal, then it should also limit consideration to the wireless revenues of the specific affected CETC only.

Respectfully submitted,

**LOUISIANA CELLULAR, INC. AND
DELCAMBRE CELLULAR LLC**

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