

“Verizon Wireless”), will continue to satisfy all of the applicable ETC obligations. Moreover, by taking action to certify WWC on or before October 1, 2010, the Commission will preserve WWC’s ability to receive federal high-cost universal service support in 2011 while the Commission considers Verizon Wireless’ request for *pro forma* amendment and consolidation of the separate WWC and RCC Minnesota, Inc. (“RCC”) ETC designations. Without such October 1 certification, there is potential regulatory uncertainty under the Federal Communications Commission’s (“FCC”) rules concerning whether, or to what extent, Verizon Wireless’ receipt of high-cost universal service support may be delayed during calendar year 2011.

II. BACKGROUND

On January 9, 2009, Cellco acquired a controlling interest in Alltel Corporation and each of its subsidiaries, including WWC.³ WWC is now an indirect, wholly-owned subsidiary of Cellco. Cellco also acquired a controlling interest in Rural Cellular Corporation and each of its subsidiaries, including RCC. RCC is thus also an indirect, wholly-owned subsidiary of Cellco.⁴ Each of Cellco’s subsidiaries and affiliates operating in South Dakota conduct business as Verizon Wireless.

³ *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and de Facto Transfer of Leasing Arrangements*, WT Docket No. 08-95, *Memorandum Opinion and Order and Declaratory Ruling*, 23 FCC Rcd 17444 (2008) (“*Cellco-Alltel Order*”).

⁴ *Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation for Consent To Transfer Control of Licenses, Authorizations, and Spectrum Manager Leases*, WT Docket No. 07-208, *Memorandum Opinion and Order and Declaratory Ruling*, 23 FCC Rcd 12463 (2008) (“*Cellco-RCC Order*”).

WWC and RCC are each separately designated by the Commission as competitive ETCs in certain, overlapping areas of South Dakota (collectively, the “Designated Area”).⁵ And the Commission has certified both WWC’s and RCC’s eligibility to receive federal high-cost universal service support in South Dakota through December 31, 2010.⁶

As a condition of its acquisition of Alltel Corporation, Verizon Wireless was required to divest all customers and network assets serving those customers within the portions of South Dakota served by WWC.⁷ Verizon Wireless was not required to divest any of the RCC customers and network assets in South Dakota.

III. WWC’S ANNUAL ETC REPORT AND CERTIFICATION SATISFIES ALL OF THE COMMISSION’S REQUIREMENTS TO RECEIVE FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT IN CALENDAR YEAR 2011

Pending sale to AT&T Mobility, Verizon Wireless was required to hold and operate the WWC customers and network assets under a management trust. Under the supervision of the

⁵ *In the Matter of the Filing by GCC License Corporation for Designation as an Eligible Telecommunications Carrier*, TC98-146, Order Designating GCC License Corporation as an Eligible Telecommunications Carrier in Non-Rural Telephone Company Exchanges (Oct. 18, 2001); *In the Matter of the Filing by GCC License Corporation for Designation as an Eligible Telecommunications Carrier*, TC98-146, Order Designating Western Wireless as an ETC for Areas Served by Certain Rural Telephone Companies (Jan. 6, 2001) (“Rural ETC Order”); *In the Matter of the Filing by WWC License, LLC d/b/a CellularOne for Designation as an Eligible Telecommunications Carrier in Other Rural Areas*, TC03-191, Amended Order Designating Western Wireless as an Eligible Telecommunications Carrier; Findings of Fact and Conclusions of Law; and Notice of Entry of Order (Jan. 3, 2005); *In the Matter of the Filing by RCC Minnesota, Inc. and Wireless Alliance, LLC, d/b/a Unicef for Designation as an Eligible Telecommunications Carrier*, TC03-139, Order Designating RCC Minnesota, Inc. and Wireless Alliance, LLC, d/b/a Unicef as Eligible Telecommunications Carriers; Findings of Fact and Conclusions of Law; and Notice of Entry of Order (June 6, 2005).

⁶ *See In the Matter of the Request of WWC License LLC d/b/a Alltel Communications, LLC for Certification Regarding its Use of Federal Universal Service Support*, TC09-068; *In the Matter of the Request of RCC Minnesota, Inc. for Certification Regarding its Use of Federal Universal Service Support*, TC09-071.

⁷ *Cellco-Alltel Order*.

Management Trustee, WWC filed its annual ETC report and certification with the Commission on or about May 28, 2010.⁸ The annual ETC report and certification required by A.R.S.D. 20:10:32:54 was submitted based on information about WWC's operations under trust management.

Subsequent to filing the annual ETC report and certification, all of the WWC customers and network assets in South Dakota were transferred to AT&T Mobility effective on June 22, 2010. WWC's ETC designation was not transferred to AT&T Mobility. Nor has WWC's ETC designation been relinquished under 47 C.F.R. § 54.205 and A.R.S.D. 20:10:32:48.⁹ Moreover, WWC has advised the Commission that it intends to continue as a competitive ETC in South Dakota in conjunction with Verizon Wireless' request for *pro forma* amendment and consolidation of the separate ETC designations currently held in the names of WWC and RCC.¹⁰

As a result of the acquisition and consolidation of WWC and RCC with the Verizon Wireless operations in South Dakota, consumers within the Designated Area can continue to be served by a competitive ETC. Thus, the transfer of WWC customers to AT&T Mobility has no practical effect on the Commission's ability and authority to certify WWC's continued eligibility to receive federal high-cost universal service support in calendar year 2011 pending the Commission's separate consideration of Verizon Wireless' request to administratively amend and consolidate the WWC and RCC ETC designations. As detailed below, the information submitted by WWC on May 28, 2010, concerning its operations during 2009 remains entirely

⁸ See TC10-067.

⁹ WWC has provided the Commission with notice of partial relinquishment of its ETC designation within the Golden West SAC 391659.

¹⁰ *In the Matter of the Petition of Cellco Partnerships and its Subsidiaries and Affiliates to Amend and Consolidate Eligible Telecommunications Carrier Designations in the State of South Dakota and to Partially Relinquish ETC Designation*, TC10-090 (A copy attached as Exhibit A).

accurate, and any future compliance issues can and will be addressed through the administrative amendment and consolidation of the WWC and RCC ETC designations.

A. Use of Support and Service Improvement Plan

Under A.R.S.D. 20:10:32:54(1), an ETC is required to annually submit the following information to the Commission:

A progress report on its two-year service quality improvement plan, including maps detailing its progress towards meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve service quality, signal quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled. The information shall be submitted at the wire center level.

The information contained in WWC's annual ETC report and certification regarding the Company's receipt and use of federal high-cost universal service support during calendar year 2009 remains accurate. To the extent any future plans concerning use of support have been affected by the transfer of WWC's assets to AT&T Mobility, WWC has provided the Commission with a supplemental 2010-11 service improvement plan demonstrating how support will be utilized to build, improve and maintain the network facilities that will continue to provide service to South Dakota consumers within the Designated Area.¹¹

B. Service Outages

Under A.R.S.D. 20:10:32:54(2), an ETC is required to annually submit information concerning service outages affecting its designated ETC service area. The service outage information concerning WWC's operations during 2009 remains accurate. Although the specific network facilities at issue have now been transferred to AT&T Mobility, Verizon Wireless will be able to report to the Commission in its 2011 annual ETC report and certification any service outages that affected the network facilities that continue to serve the Designated Area.

¹¹ See WWC Response to Staff Data Requests, Confidential Exhibit 1-1 (Sept. 3, 2010).

C. Unfulfilled Requests for Service

Under A.R.S.D. 20:10:32:54(3), an ETC is required to annually report the number of requests for service from potential customers that were unfulfilled during the past year and how it attempted to provide service to those potential customers. The unfulfilled request for service information concerning WWC's operations during 2009 remains accurate. Verizon Wireless has committed to continuing as an ETC subject to the same service extension and reporting requirements in the future. The Commission will thus be able to continue monitoring the availability of service to consumers within the Designated Area in 2010 and thereafter.

D. Service Complaints

Under A.R.S.D. 20:10:32:54(4), an ETC is required to annually report the number of complaints it received during the previous year. The complaint data submitted concerning WWC's operations during 2009 remain entirely accurate. Like outages and requests for service, Verizon Wireless has committed as an ETC to providing the Commission with the same type of complaint data in the future.

E. Service Certifications

Under A.R.S.D. 20:10:32:54(5)-(8), an ETC is required to annually certify that (1) it is complying with applicable service quality standards and consumer protection rules; (2) it is able to function in emergency situations; (3) it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier; and (4) it acknowledges it may be required to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area.

The annual certifications of compliance provided by WWC remain entirely valid, and will remain as enforceable commitments in 2011 in conjunction with Verizon Wireless' request for *pro forma* amendment and consolidation of the WWC and RCC ETC designations.

Accordingly, WWC's annual ETC report and certification filed with the Commission on May 28, 2010, and as supplemented by WWC's responses to Staff Data Requests, satisfies the requirements of A.R.S.D. 20:10:32:52 and 20:10:32:54 for purposes of certifying its eligibility to continue receiving federal high-cost universal service support in calendar year 2011.

IV. FAILURE TO CERTIFY WWC BY OCTOBER 1 COULD JEOPARDIZE THE RECEIPT AND USE OF FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT IN CALENDAR YEAR 2011

As a result of Celco's acquisition of Alltel and RCC, the companies' networks, business operations, and subscriber bases have been fully integrated as contemplated and approved by the FCC. While WWC and RCC continue to exist as separate legal entities, they are now subsidiaries of Celco and collectively operate and conduct business as Verizon Wireless. As a result of this integration, it is no longer feasible to distinguish the network, business operations or subscribers of one company from another for ETC compliance and reporting purposes. Accordingly, on May 28, 2010, the FCC approved Celco's petitions for *pro forma* amendment of the ETC designations held by Alltel, RCC and their affiliated legal entities in Alabama, North Carolina and Virginia to reflect Celco as the designated entity.¹² Consistent with the FCC's approval of the Celco acquisitions, and further approval of the administrative amendment of Alltel's and RCC's ETC designations in Alabama, North Carolina and Virginia, Verizon

¹² *In the Matter of Federal-State Board on Universal Service, Celco Partnership d/b/a Verizon Wireless, Petitions for Pro Forma Amendment of Eligible Telecommunications Carrier Designations in the Commonwealth of Virginia and the States of Alabama and North Carolina*, WC Docket 09-197, CC Docket 96-45, Order, 25 FCC Rcd 5955 (2010).

Wireless has submitted an application to this Commission similarly seeking *pro forma* amendment and consolidation of the separate WWC and RCC ETC designations.¹³

While the Commission is considering its request to amend and consolidate the WWC and RCC ETC designations, Verizon Wireless has simultaneously requested that the Commission certify both WWC's and RCC's continued eligibility to receive federal high-cost universal service support beyond December 31, 2010.¹⁴ Verizon Wireless believes the Commission's October 1 certification is essential to ensure that there is no interruption or delay in receipt of support during 2011. As set forth in 47 C.F.R. §§ 54.313 and 54.314, if the Commission fails to annually certify an ETC's receipt of federal high-cost universal service support by October 1, the ETC will be denied any further distributions of such support until the next quarter following the receipt of a subsequent Commission certification. For example, if the Commission were to decline to certify WWC's receipt of support prior to October 1, 2010, but subsequently filed a

¹³ Verizon Wireless' requested amendment is also consistent with past practices in South Dakota. The consolidation of ETC certification and reports has occurred in other cases where an ETC is acquired by another carrier. For example, Golden West has acquired a number of companies over the past several years. Through 2009, each of these companies filed separately for annual ETC certification. *See, e.g.*, TC09-05 through TC09-061. Golden West then merged these entities and for the purposes of ETC certification in 2010 reported information and requested certification in the name of Golden West Telecommunications Cooperative, Inc., only. *See* TC10-041. The amendment and consolidation of the WWC and RCC ETC designations in the name of Verizon Wireless will similarly unify the entities' operations for purposes of administering the ETC service and reporting obligations.

¹⁴ Although WWC is currently certified as eligible to receive federal high-cost universal service support in South Dakota through December 31, 2010, it is not currently receiving any distributions. At the time WWC's customers and assets were transferred to AT&T Mobility, WWC notified the Universal Service Administrative Company ("USAC") that universal service support distributions should be discontinued for the operations that had been operated under trust management (*i.e.*, SAC 399002). Upon approval of Verizon Wireless' request for amendment and consolidation of the WWC and RCC ETC designations, Verizon Wireless will utilize the new study area code from USAC for purposes of administering the universal service obligations under a consolidated ETC designation.

certification on or before January 1, 2011, then WWC would not be deemed eligible to receive federal high-cost universal service support until April 1, 2011. *See* 47 C.F.R. §§ 54.313(d)(3)(ii) and 54.314(d)(2). In other words, WWC would lose an entire quarter of support.

Although the FCC has adopted safe harbor provisions that allow a “newly designated” ETC to begin receiving federal high-cost universal service support upon the effective date of the designation order, provided the state commission certifies the carrier’s receipt of support within 60 days of the order, it is unclear whether the safe harbor provisions would apply in this case. *See* 47 C.F.R. §§ 54.313(d)(3)(vi) and 54.314(d)(6). Consistent with the FCC’s *pro forma* amendment of Alltel’s and RCC’s ETC designations in Alabama, North Carolina and Virginia, Verizon Wireless has requested this Commission’s approval to administratively amend and consolidate the existing WWC and RCC ETC designations in the name of Verizon Wireless. Like the FCC’s *pro forma* amendment, this approval may not be considered a “new” ETC designation such that the safe harbor provisions of 47 C.F.R. §§ 54.313(d)(3)(vi) and 54.314(d)(6) would apply. As a result, if WWC is not certified by October 1, 2010, as eligible to continue receiving federal high-cost universal service support in calendar year 2011, it could jeopardize Verizon Wireless’ ability to receive such support for at least the first quarter of 2011, if not longer, in any area outside the area encompassing the current RCC designation. And without such support, Verizon Wireless will not be able to invest those additional funds in the construction, operation and maintenance of the facilities that will serve consumers within the Designated Area.

V. THE COMMISSION SHOULD CERTIFY WWC'S CONTINUED ELIGIBILITY TO RECEIVE FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT IN CALENDAR YEAR 2011, BUT SHOULD NOT CERTIFY SUCH ELIGIBILITY WITH REFERENCE TO SAC 399002

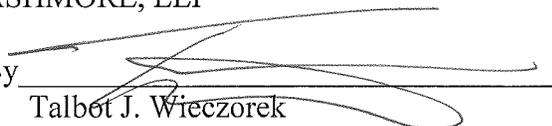
WWC currently remains certified as eligible to receive federal high-cost universal service support in South Dakota through December 31, 2010. However, WWC currently receives no distributions. When WWC's customers and assets were transferred to AT&T Mobility, WWC notified the Universal Service Administrative Company ("USAC") that universal service support distributions should be discontinued for the operations that had been operated under trust management — *i.e.*, for the operations that had been reporting under SAC 399002. Upon approval of Verizon Wireless' request for amendment and consolidation of the WWC and RCC ETC designations, Verizon Wireless will utilize a new study area code from USAC for purposes of administering the universal service obligations under a consolidated ETC designation. As a result, Verizon Wireless respectfully requests that the Commission certify WWC's continued eligibility to receive federal high-cost universal service support, but that it do so in the name of the company only and not with reference to SAC 399002 as the inclusion of that soon-to-be retired study area code could engender confusion on behalf of USAC, or potential disqualification from receipt of support under the newly assigned study area code for the amended and consolidated ETC designation.

VI. CONCLUSION

Based on the foregoing information, the Commission should certify to the FCC WWC's eligibility to receive federal universal service support for calendar year 2011 in accordance with 47 C.F.R. §§ 54.313 and 54.314.

Dated: September 15, 2010

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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	WC Docket No. 09-197
)	
Cellco Partnership d/b/a Verizon Wireless)	CC Docket No. 96-45
)	
Petitions for Pro Forma Amendment of Eligible Telecommunications Carrier Designations in the Commonwealth of Virginia and the States of Alabama and North Carolina)	

ORDER

Adopted: May 28, 2010

Released: May 28, 2010

By the Chief, Wireline Competition Bureau:

1. On December 3, 2009, Cellco Partnership d/b/a Verizon Wireless and its affiliates (Cellco) filed requests for pro forma amendments of the eligible telecommunications carrier (ETC) designations held by Cellco in the name of ALLTEL Communications, Inc. and its affiliated legal entities (Alltel) in the commonwealth of Virginia and the state of North Carolina, and held by both Alltel and RCC Holdings, Inc. and its affiliated legal entities (RCC) in the state of Alabama.¹ The Bureau released a public notice seeking comment on the Cellco Petitions.²

¹ Petition of Cellco Partnership for Pro Forma Amendment of ETC Designations in the State of Alabama, WC Docket No. 09-197, CC Docket No. 96-45 (filed Dec. 3, 2009) (Cellco Alabama Petition); Petition of Cellco Partnership for Pro Forma Amendment of ETC Designations in the State of North Carolina, WC Docket No. 09-197, CC Docket No. 96-45 (filed Dec. 3, 2009) (Cellco North Carolina Petition); Petition of Cellco Partnership for Pro Forma Amendment of ETC Designations in the Commonwealth of Virginia, WC Docket No. 09-197, CC Docket No. 96-45 (filed Dec. 3, 2009) (Cellco Virginia Petition) (collectively, Cellco Petitions).

² *Comment Sought on Petitions of Cellco Partnership for Pro Forma Amendment of ETC Designations in Alabama, North Carolina and Virginia*, WC Docket No. 09-197, Public Notice, 24 FCC Rcd 14742 (Wireline Comp. Bur: 2009). The following parties filed comments in connection with the petitions: Haynesville Fiber Transport, Inc. d/b/a Camellia Communications, Comments, WC Docket No. 09-197 (filed Jan. 29, 2010) (Camilla Comments); Verizon/Alltel Management Trust, Comments, WC Docket No. 09-197 (filed Jan. 28, 2010) (Management Trust Comments); Cellco Partnership, Reply Comments, WC Docket No. 09-197 (filed Feb. 26, 2010) (Cellco Reply Comments); Rural Cellular Association, Reply Comments, WC Docket No. 09-197 (filed Feb. 26, 2010) (RCA Reply Comments). Commenters on the Cellco Petitions ask the Commission to clarify: (1) the process used to calculate disbursements pursuant to the *Interim Cap Order*; (2) details of the divestiture areas agreed to in the *Merger Order*; and (3) the procedures adopted to implement the phase-down of high-cost support as provided in the *Merger Order*. See generally Camilla Comments; Cellco Reply Comments, RCA Reply Comments; see also *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements and Petition for Declaratory Ruling That the Transaction Is Consistent with Section 310(b)(4) of the Communications Act*, WT Docket No. 08-95, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 17444 (2008) (*Merger Order*); *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order, 23 FCC Rcd 8834, Appendix B, para. 31, Exhibits 2 and 3 (2008) (*Interim Cap Order*). We find that the issues raised by the Commenters are outside of the scope of the instant requests for pro forma amendment of the subject ETC designations and are more appropriately addressed in other proceedings.

Exhibit A

2. The Commission previously designated Alltel as an ETC in Alabama, Virginia and North Carolina, and RCC as an ETC in Alabama. Cellco proposes to serve the same service areas that the Commission previously considered in its analyses. On November 8, 2008, Alltel and RCC became wholly-owned indirect subsidiaries of Cellco.³

3. We approve Cellco's requested pro forma amendments. Accordingly, the designated service areas of Alltel and RCC shall reflect Cellco as the ETC designated entity. We do not address the ETC designation and correlating high-cost support of the divested properties currently held in trust in accordance with the *Merger Order*.⁴ In the service areas not subject to state commission approval or where state concurrence has been previously issued, Cellco's pro forma amendments shall be effective upon release of this order. In the service areas where state commission approval is still pending, the pro forma amendments shall be effective on the date that the state commission concurs with the Commission's redefinition.

4. Accordingly, IT IS ORDERED that, pursuant to the authority contained in section 214(e)(6) of the Communications Act, 47 U.S.C. § 214(e)(6), and the authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the petitions of Cellco Partnership d/b/a Verizon Wireless for pro forma amendment to the eligible telecommunications carrier designations held by ALLTEL Communications, Inc. and its affiliated legal entities in Alabama Virginia, and North Carolina, and RCC Holdings, Inc. and its affiliated legal entities in Alabama, ARE GRANTED.

5. IT IS FURTHER ORDERED that a copy of this order SHALL BE transmitted to the Virginia State Corporation Commission, the Alabama Public Service Commission, the North Carolina Utilities Commission, and the Universal Service Administrative Company.

6. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), this order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION



Sharon E. Gillett
Chief
Wireline Competition Bureau

³ See generally *Merger Order*, 23 FCC Rcd 17444. Among other things, the Commission conditioned its approval of the merger on Cellco's commitment to divest properties in 105 markets and phase out its universal service high-cost support in equal 20 percent increments over a period of five years. *Id.* at 17454, 17455, 17515-16, 17529-32, paras. 15, 19, 157-59, 192-97, Appendix B.

⁴ Until such time as the divestitures set forth in the *Merger Order* have been completed, the divestiture properties shall retain their existing ETC designation under the study area codes created specifically for those properties. See *Merger Order*, 23 FCC Rcd at 17551, Appendix B; see also Management Trust Reply Comments at 2.