

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

In the Matter of the Petition of)
WWC License, LLC and RCC Minnesota,) TC12-_____
Inc. for Relinquishment of Eligible)
Telecommunications Carrier Designations)

**PETITION FOR RELINQUISHMENT OF ELIGIBLE
TELECOMMUNICATIONS CARRIER DESIGNATION**

WWC License, LLC d/b/a Verizon Wireless (“WWC”)¹ and RCC Minnesota, Inc. d/b/a Verizon Wireless (“RCC”) (collectively, “Verizon Wireless”), pursuant to 47 U.S.C. § 214(e)(4), 47 C.F.R. § 54.205 and A.R.S.D. 20:10:32:48, hereby notify the South Dakota Public Utilities Commission (“Commission”) of the relinquishment of their eligible telecommunications carrier (“ETC”) designations effective December 31, 2012.

Verizon Wireless is relinquishing its ETC designation because its universal service funding will be eliminated at the end of this year under the terms of the *Alltel Acquisition Order*.² The Federal Communications Commission (“FCC”) confirmed the elimination of Verizon Wireless’ ETC support in the *USF-ICC Transformation Order*³ and in a subsequent Wireline Competition Bureau (“WCB”) decision.⁴ As discussed below, relinquishment of ETC status will

¹ Successor to GCC License Corporation.

² *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*, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 17444, ¶¶ 192-95 (2008) (“*Alltel Acquisition Order*”).

³ *Connect America Fund, et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (“*USF-ICC Transformation Order*”). Certain non-controlled partnerships and after-acquired properties will continue to receive universal service support, subject to the larger phase-out of legacy competitive ETC support.

⁴ *Id.* ¶ 520; *Connect America Fund, et al.*, Order, 27 FCC Rcd 2142, ¶¶ 6-8 (WCB 2012).

have no impact on Verizon Wireless' network coverage in South Dakota, and there will be no impact on Verizon Wireless' announced, industry-leading roll-out of 4G LTE broadband and voice services.⁵

In support of its notice of relinquishment, Verizon Wireless states as follows:

1. Verizon Wireless is licensed by the FCC to provide commercial mobile radio service ("CMRS") in South Dakota.

2. By Order dated October 18, 2001, the Commission granted WWC's request for designation as an ETC.⁶ Expansion of WWC's designated service area was later approved by the Commission in 2003 and again in 2005.⁷ Partial relinquishment of WWC's designated service area was approved in 2010.⁸ The Commission designated RCC as an ETC in South Dakota in 2005.⁹ Verizon Wireless' designated ETC service areas include each of the incumbent local

⁵ Should Verizon Wireless later seek to participate in the developing and as-yet indeterminate Connect America Fund Phase II or Mobility Fund Phase II, it will re-apply for ETC status.

⁶ *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).

⁷ *In the Matter of the Filing by GCC License Corporation for Designation as an Eligible Telecommunications Carrier*, TC98-146, Findings of Fact and Conclusions of Law; Notice of Entry of Order (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); *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).

⁸ *In the Matter of the Petition of Cellco Partnership and its Subsidiaries and Affiliates to Amend and Consolidate Eligible Telecommunications Carrier Designations in the State of South Dakota and to Partially Relinquish ETC Designations*, TC10-090, Order Approving Partial Relinquishment of ETC Designation (Nov. 18, 2010).

⁹ *In the Matter of the Filing by RCC Minnesota, Inc. and Wireless Alliance, LLC, d/b/a Unicel for Designation as an Eligible Telecommunications Carrier*, TC03-139, Order Designating RCC

exchange carrier (“ILEC”) wire centers and/or study areas set forth in **Exhibit A** (the “Designated Areas”).

3. Consistent with 47 U.S.C. § 214(e)(4), 47 C.F.R. § 54.205 and A.R.S.D. 20:10:32:48, Verizon Wireless has determined to relinquish its ETC designations.

4. Relinquishment of Verizon Wireless’ ETC designations will not affect the amount of federal high-cost universal service support available to other ETCs, nor, as discussed below, Verizon Wireless’ continued operation in the state.

5. Pursuant to the FCC’s recently amended universal service rules and associated orders, the federal high-cost universal service support available to Verizon Wireless will be phased out effective December 31, 2012.¹⁰ Likewise, the FCC has capped the amount of federal high-cost universal service support available to all competitive ETCs in the state and further clarified that the relinquishment of an ETC designation by one carrier will not affect the amount of federal high-cost universal service support received by other ETCs.¹¹

6. 47 U.S.C. § 214(e)(4) states, in pertinent part:

A State commission [...] shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission [...] of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible

Minnesota, Inc. and Wireless Alliance, LLC, d/b/a Unicel as Eligible Telecommunications Carriers; Findings of Fact and Conclusions of Law; and Notice of Entry of Order (June 6, 2005).

¹⁰ *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011), *pets. for review pending*, *Direct Commc'ns Cedar Valley, LLC v. FCC*, No. 11-9581 (10th Cir. filed Dec. 18, 2011); *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Order, DA 12-147 (WCB Feb. 3, 2012); *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Order, DA 12-298 (WCB Feb. 27, 2012).

¹¹ *Id.*

telecommunications carrier, the State commission [...] shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunication carrier.

Id. (emphasis added); *see also* 47 C.F.R. § 54.205. Verizon Wireless satisfies all of these requirements.

1. A.R.S.D. 20:10:32:48 similarly provides as follows:

A telecommunications company may relinquish its eligible telecommunications carrier designation and accompanying universal service obligations as provided for below:

(1) A telecommunications company seeking to relinquish its eligible telecommunications carrier designation shall file a petition with the commission specifying the service area for which it seeks to relinquish its designation and the identity of any other eligible telecommunications carrier serving the service area. At the time of filing, a copy of the petition shall also be provided to each local service provider serving the area for which the petitioner seeks to relinquish its eligible telecommunications carrier designation;¹²

(2) The commission may permit a telecommunications company to relinquish its eligible telecommunications carrier designation if at least one other eligible telecommunications carrier serves the area for which the relinquishment is sought;

(3) The petitioning telecommunications company shall continue to meet its eligible telecommunications carrier obligations for the entire area for which it seeks to relinquish those obligations until the date specified in the commission's order approving the relinquishment; and

(4) Prior to permitting a telecommunications company designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the commission shall ensure that each customer served by the relinquishing carrier continues to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The commission shall establish a time, not to exceed one year after the commission approves such relinquishment, within which such purchase or construction shall be completed.

¹² Attached as **Exhibit D** is a list of the incumbent and competitive ETCs designated to serve a portion of the Designated Areas.

7. Verizon Wireless seeks to relinquish its ETC designations throughout the Designated Areas, which are areas smaller than Verizon Wireless' FCC-licensed service area in the state.

8. As set forth in 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205, Commission approval of a competitive ETC's notice of relinquishment is mandatory. Federal law requires the Commission to permit the relinquishment of an ETC designation in any area served by at least one other ETC.

9. Following relinquishment of its ETC designations, Verizon Wireless will continue to offer and provide wireless service in the Designated Areas. Verizon Wireless' services and coverage will not be affected in South Dakota. Further, Verizon Wireless' announced, industry-leading roll-out of 4G LTE voice and broadband services will continue. No Verizon Wireless customer will lose service as a result of relinquishment. Indeed, Verizon Wireless continues to aggressively update its network.

10. Following relinquishment of Verizon Wireless' ETC designations, each of the ILEC wire centers identified in **Exhibit A** will also continue to be served by at least one ETC. To the best of Verizon Wireless' knowledge, each of the wire centers will continue to be served by the incumbent LEC ETC.

11. To the best of Verizon Wireless' knowledge, none of the remaining ETCs will be required to purchase or construct additional facilities to continue providing service within the wire centers and/or study areas comprising the Designated Areas.

12. Only a very small number of customers that may subscribe to the Verizon Wireless Lifeline plan in the Designated Areas are conceivably affected by Verizon Wireless' relinquishment. And if these Lifeline customers do decide to switch providers (now or later)

there are several alternatives. Lifeline providers operating in South Dakota are identified in **Exhibit B**.

13. Moreover, Verizon Wireless is voluntarily taking significant steps to mitigate the impact of relinquishment on Lifeline customers. Verizon Wireless will grandfather the existing Lifeline discount as an equivalent, carrier-provided discount – for one year (through December 31, 2013) if the customer chooses to continue as a Verizon Wireless subscriber. The extended discount will give Lifeline customers ample time to decide whether to remain with Verizon Wireless or to switch to another Lifeline service provider. And if an existing Lifeline customer does decide to switch providers, Verizon Wireless will waive early termination fees for cancelling service.

14. Lifeline customers will also receive ample notice. At least forty-five (45) days prior to the effective date of its relinquishment, Verizon Wireless will provide written notice by U.S. Mail to each of its then-current Lifeline customers, advising that Verizon Wireless will no longer provide Lifeline assistance as an ETC effective December 31, 2012. The notice will also make clear, as discussed above, that Verizon Wireless will continue to provide its existing Lifeline customers with an equivalent carrier-provided discount through December 31, 2013, if the customer chooses to continue as a Verizon Wireless subscriber on the same service plan. Attached as **Exhibit C** is a sample copy of the notice Verizon Wireless intends to send to the Lifeline customers. In addition, consistent with recent guidance, after issuance of the notices to current Lifeline customers, Verizon Wireless will not enroll any new Lifeline customers.¹³

¹³ See *Application of Sprint Nextel Corporation to Relinquish Its Designation as an Eligible Telecommunications Carrier*, Texas PUC Docket No. 40543, Staff Memo at 2 (July 25, 2012) (“Ms. Kimberly Scardino, Deputy Division Chief, the FCC TAPD, stated in an email to Staff dated July 24, 2012, that Staff’s requirement that no new Lifeline customers be enrolled in Sprint Nextel’s Lifeline plan after the 90-day notices have been sent does not conflict with Federal ETC requirements.”)

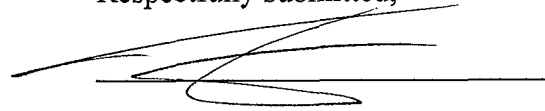
CONCLUSION

For the foregoing reasons, Verizon Wireless respectfully requests that the Commission approve the relinquishment of its ETC designation effective December 31, 2012.

Respectfully submitted,

Dated: September 21, 2012

Dulaney L. O'Roark III, of Counsel
Verizon
5055 North Point Parkway
Alpharetta, GA 30022
Phone: 678-259-1657
Facsimile: 678-259-5326



Talbot Wieczorek
Gunderson Palmer Nelson Ashmore, LLP
506 Sixth Street
Rapid City, SD 57701
Phone: (605) 342-1078
Facsimile: (605) 342-0480

Mark J. Ayotte
Matthew A. Slaven
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Phone: 612-977-8400
Facsimile: 612-977-8650

Counsel for Verizon Wireless