## Before the Florida Public Service Commission

In re:	)	
	)	Post Workshop Comments
Policy Issues Relating to	)	TDS TELECOM
Eligible Telecommunications Carriers	)	

TDS Telecom/Quincy ("TDS") hereby submits these post workshop comments regarding the public policy issues relating to Eligible Telecommunications Carriers ("ETCs"). Regulators and industry stakeholders all recognize and acknowledge that the federal universal service fund ("USF") is not sustainable in its current form. In its Recommended Decision, the Federal-State Joint Board on Universal Service ("Joint Board") recognized the escalating size of the federal universal service fund. The Joint Board found that the cause for the massive increase in the size of the fund was due to the growth in support for competitive ETCs. Based on this finding, the Joint Board recommended a cap on competitive ETC funding to keep the fund from further rapid growth until a long-term solution can be developed. On June 27, 2007, the FPSC filed reply comments in support of the Joint Board's recommendation.

It is without question that the growth in the size of the universal service fund is due to designation of competitive ETCs. TDS believes it would be prudent to consider adoption of a moratorium on designation of additional competitive ETCs in Florida until such time that a comprehensive solution to universal service reform is adopted.

In response to the specific staff questions offered at the August 20, 2007 workshop, TDS offers the following comments.

1) What is the role and authority of the FPSC in the USF process?

The purpose of the USF is to ensure that rural customers have access to affordable, reliable, high-quality, safe, and ubiquitous telecommunications service. The Act requires state regulators to evaluate in a deliberate and thoughtful manner whether a competitor in a rural market will provide beneficial alternatives to the incumbent, or destabilize the fragile market, thereby hindering the delivery of universal service by any provider.

Specifically, the Act requires that "upon request and consistent with the public interest, convenience, and necessity, the State Commission may, in the case of an area served by a rural company, and shall, in the case of all other areas, designate more than one common carriers as an eligible telecommunications carrier" for a designated service area, so long as the requesting carrier meets the Act's other requirements.

- 2) How many ETCs should be designated in a rural wire center?
- 3) How many ETCs should be designated in a non-rural wire center?

Answer for 2 and 3: TDS does not have a position at this time regarding the appropriate number of ETCs to be designated in rural and non-rural wire centers, however we believe that granting any additional ETCs needs to take into consideration the public interest. See response to question 5.

4) If a limit is set on the number of ETCs designated in a wire center, how should it be decided which ETC(s) serve it? (e.g., one wireline & one wireless?)

TDS believes that the Commission should ensure:

- a. The provider has adequate financial resources to provide quality service throughout the designated service area;
- b. Are capable of and committed to providing supported services throughout the designated service area to all customers who make a reasonable request;
- c. Remain functional in emergencies at a level comparable to that of the incumbent LEC;
- d. Can and will comply with state consumer protection requirements;
- e. Provide local usage that is comparable to what is afforded by the incumbent LEC;
- f. Satisfy carrier of last resort obligation;
- g. Satisfy state service quality requirements;
- h. Provide subscribers with equal access to long distance services to the same extent that ILECs are subject to equal access requirements.
- 5) How should "Public Interest" be determined for ETC designation in a rural area?
  - a. Public interest analysis must examine whether the petitioner has the capability, wherewithal and intention to provide service throughout the entire service area, including as the sole ETC in the incumbent were to exit the market or relinquish its ETC status;
  - b. Examine whether the petitioner's service quality commitments are comparable to those of the incumbent LEC;
  - c. Examine whether the petitioner offers or will offer telecommunications and information services including advanced services at least comparable to those offered by the incumbent LEC;
  - d. Examine the rates the petitioner proposes to charge for supported services; and
  - e. The following additional factors should be taken into consideration; whether designating an additional ETC is economically viable given the

size, access line density and amount of the high-cost support received in the service area, whether the ability of ETCs to service the entire market would be undermined by the designation of multiple ETCs in the market, and whether under all the circumstances, the benefits offered by the additional provider are sufficient to justify utilizing USF to support multiple networks within the particular high cost market.

6) Can a state apply a "Public Interest" standard found in § 214(e) (2) of the Telecommunications Act of 1996, to carriers seeking ETC status in non-rural study areas? If so, how should "Public Interest" be determined for ETC designation in a non-rural area?

Yes.

7) What additional criteria should be required to obtain ETC status for high-cost funds? (e.g., USF funds must be invested in Florida? USF funds must be used in unserved areas?)

The commission should require that the funds received in a given highcost area should be used within that same area. Competitive ETCs have a tendency to get certificated in large areas but only invest the money in the more urban areas or along highways. TDS believes that the commission should ensure that the universal service support dollars remain within the area the support is received. For example, USF support received in TDS' study area should be required to be reinvested in that study area, especially given the fact that the level of support an ETC would be receiving today is based on that ILECs cost.

8) Pursuant to § 214(e) (1), should an entity be required to establish its ability to serve all customers of the current ETC, if the incumbent ETC relinquishes its designation?

Yes, TDS believes that any entity receiving USF support should be able to serve as carrier of last resort.

9) In Order No. PSC-07-0288-PAA-TP, the FPSC concluded that ". . . we now have jurisdiction to consider CMRS applications for ETC designation." Given that the FCC's jurisdiction to designate a carrier as an ETC, in § 214(e) (6) of the Telecommunications Act of 1996, is premised on a state commission not having jurisdiction, can the FCC designate any additional carriers within Florida?

No, the FCC only has jurisdiction to grant ETC certification if the state does not assert jurisdiction.

10) Can the FCC continue to perform annual certification of carriers that it has designated if it no longer has jurisdiction under § 214(e) (6) of the Telecommunications Act of 1996?

No, the responsibility for performing annual certifications would be the rest with the state commission provided that the commission has asserted jurisdiction for certification wireline and wireless ETCs.

11) Should an ETC be required to offer <u>all</u> supported services pursuant to 47 C.F.R. § 54.101(a) (1), not just, e.g., Lifeline and Link-Up?

Yes, an ETC should be required to offer all supported services consistent with any state imposed requirements on incumbent LECs.

12) If an ETC uses its ETC designation only for the purposes of providing Lifeline service, should a waiver be sought of other requirements to offer services? What is the extent of the FPSC's authority to grant such waivers?

If the FPSC were to grant ETC designation only for the purposes of providing Lifeline service, TDS believes that the commission should ensure that the Lifeline service offered by all ETCs is affordable and is consistent with the commission's public policy objectives for Lifeline service.

13) What can Florida do to relinquish its role as being the number one net contributor to the USF fund?

By virtue of the fact that Florida is a low cost state with a high population, it is likely that Florida will always be a net contributor to the USF fund. However, the commission should continue its efforts to seek a comprehensive solution to universal service reform. Simply approving more ETCs in Florida will merely require Florida rate payers to increase their payments into the fund.

- 14) In considering the "Public Interest" standard for ETC designation, to what degree should the following aspects be considered:
  - a. The benefits of increased customer choice?
  - b. The impact of the designation on the universal service fund?
  - c. The unique advantages and disadvantages of the competitor's service offering?

See response to Question 5.

15) How should the comparable local usage requirement of ETC designation be considered?

The commission should require comparable local usage requirements similar to those of the incumbent LEC.

- 16) Should the amount of per-line support received by the incumbent LEC be a consideration in ETC designation?
- 17) Should a requirement of one line per household for USF be imposed? Does the FPSC have the authority to take such action?

Without addressing the issue of whether the commission has the authority to impose this requirement, TDS does not believe limiting support to a single primary line would be in the public interest.

18) Should ETCs be required to list the projects and locations of all projects for which USF funds will be used in their five-year plans? Should ETCs be required to provide an explanation if a project isn't completed by the time of the next annual recertification?

Yes.

19) How should the benefit be measured of adding plant in a wire center using USF funds? (e.g., more customers? more handsets? better coverage?)

The commission should measure the benefits based on extending service into unserved or under served areas, and its impact on expanded coverage, signal strength, and whether or not these benefits would accrue with or without high cost support.

20) What criteria should be used to determine if an ETC is meeting the Lifeline and Link-Up advertising requirements?

The requirements set forth in the FCC's 2005 Order should be mandated. All ETCs should be required to respond to commission requests for information to ensure compliance.

21) What criteria should be met if an ETC decides it wishes to relinquish its ETC designation?

An ETC should be required to provide proper notification to the commission prior to relinquishing its ETC designation as set forth in the Act. The Commission should ensure that the remaining ETC is capable of assuming the COLR obligations.

22) What are the differences in the requirements to be an ETC versus the requirements of a carrier of last resort (COLR)?

For all practicable purposes, TDS does not believe there should be a distinction of COLR obligations between ETCs. All ETCs should have COLR responsibility.

23) Do the responsibilities associated with ETC designation differ from those afforded a COLR under state law? If so, what are the differences and similarities?

TDS does not believe there should be any distinction between the responsibilities of new ETCs and incumbent LECs with regard to COLR.

- 24) Should a company which is a reseller and who also leases network elements be required to have a certain percentage of customers served by the leasing of network elements to meet the "own facilities" requirement?
- 25) What percentage of wireless CETC support should go to new towers in unserved areas?
- 26) What other issues need to be addressed when considering ETC policy?