

for the purpose of participating in the Mobility Fund Phase 1 Auction (“Auction 901”) scheduled to be held by the Federal Communications Commission (“FCC”) on September 27, 2012.¹

On March 22, 2011, the Commission previously approved Allied’s Application for designation as an ETC carrier in specific rural and non-rural service areas indentified in its Application.²

Overview of the Mobility Fund, Phase 1

On, November 19, 2011, the FCC released the USF/ICC Transformation Order (the Order) in which it established the Auction 901.³ The FCC set aside \$300 million to be used to increase the availability of current generation mobile broadband and mobile voice across the country.⁴ The FCC recognized that the current system⁵ is not efficient and that universal service funding for mobile networks must be deployed in a more targeted and efficient fashion.

Auction 901 will award funds to carriers that commit to deploying 3G or better mobile voice and broadband services in census blocks where such services are unavailable. Support will be allocated to maximize the road miles covered by new mobile services without exceeding the budget of \$300 million. Winning bidders will be obligated to choose whether to deploy 3G service within two years or 4G within three years of the award.⁶

To identify the under-served areas of the country, the FCC began by documenting “the availability of service at the census block level as the first step in indentifying those area that are eligible for the Auction 901 support.” The census block is the smallest geographic unit for which the Census Bureau collects and tabulates decennial census data. By determining the extent of current-generation mobile wireless services by census block, a detailed picture would emerge of the availability of 3G mobile services.⁷ Some census blocks, particularly in rural areas, may include both served and unserved areas.⁸

¹ Application at 1.

² See Order No. 32209, issued on March 22, 2011, Case No. ALL-T-10-01.

³ *USF/ICC Transformation Order*, released on November 18, 2011 para. 299

⁴ *Id.* para. 295.

⁵ “Yet despite growth in annual funding [of USF] for competitive ETCs of almost 1000 percent over the past decade—from less than \$17 million in 2001 to roughly \$1.2 billion in 2010—there remain many areas of the country where people live, work, and travel that lack any mobile voice coverage and still larger geographic areas that lack current generation mobile broadband coverage.” *Id.*

⁶ *Auction 901 Procedures Public Notice DA 12-721*, released on May 8, 2012, para. 2.

⁷ *USF/ICC Transformation Order* para. 331.

⁸ *Id.* para. 332.

To participate in Auction 901 and receive monetary support, “an applicant must demonstrate, for the areas on which it wishes to bid, that it has been designated as an ETC and has access to the spectrum necessary to satisfy the applicable performance requirements.”⁹

On February 10, 2012, the FCC issued DA 12-187. In this notice, the FCC provided an updated list of potentially eligible Census Blocks. The following Summary of the Updated List of Potentially Eligible Census Blocks provides information for each state.

Census Block information for Idaho¹⁰

Total No. of Tracts with Unserved Blocks	93
Total No. of Counties with Unserved Blocks	39
Total Population of Unserved Blocks	43,207
Total Area (square miles) of Unserved Blocks	38,962

Pre-Auction Dates and Deadlines¹¹

FCC Form 180 (Short Form) Application Filing Window Opens	6/27/12; 12:00 noon ET
FCC Form 180 (Short Form) Application Filing Deadline	7/11/12; 6:00 p.m. ET
Mock Auction	9/25/12
Auction Begins	9/27/12

Specific Mobility Fund Phase 1 Eligibility Requirements and Certifications¹²

1. ETC Designation Certification. To be eligible to participate in Auction 901, the applicant must be designated as an ETC pursuant to Section 214 of the Communications Act in any geographic area for which it seeks support, with the exception of Tribally-owned or controlled entities. The entity, and not a subsidiary or parent holding company, must be designated by a State or the FCC as an ETC in that geographic area to be eligible to participate in the auction.¹³

⁹ *Auction 901 Procedures Public Notice* para. 32.

¹⁰ *Id.* Attachment A at 1.

¹¹ *Id.* para. 40.

¹² *Id.* para. 29.

¹³ *Id.* para. 93.

2. ETC status carries with it certain obligations. A party might obtain the required ETC designation but may not be subject to the obligations unless and until it is awarded Mobility Fund support. The FCC will allow a party to participate in the auction if it has an ETC designation conditioned upon the party winning support in the auction.¹⁴

3. Access to Spectrum Description and Certification. Pursuant to the USF/ICC Transformation Order, any applicant for Auction 901 must have access to the necessary spectrum to fulfill any obligations related to support.¹⁵

4. Financial and Technical Capability Certification. The FCC requires that an applicant certify in the pre-auction short-form application that it is financially and technically capable of providing 3G or better service within the specified timeframe in the geographic areas for which it seeks support.¹⁶

5. Certification That Applicant Will Not Seek Support for Areas in Which It Has Made a Public Commitment to Deploy 3G or Better Service by December 31, 2012. The FCC requires each applicant for Auction 901 support to certify that it will not seek support for any areas in which it has previously made a public commitment to deploy 3G or better wireless service by December 31, 2012.¹⁷

Staff believes Allied satisfies or will meet the first three requirements and that the Company will be required to meet the last requirement upon participate in the Auction 901.

The Application

Allied is a commercial mobile radio services (“CMRS”) carrier licensed by the FCC to provide service in various locations in Idaho. Allied is a wholly owned subsidiary of Atlantic Tele-Network, Inc. (“ATNI”) a publicly-traded corporation headquartered in Beverly, Massachusetts.¹⁸

Allied states that, as one of the few carriers licensed to provide CMRS in the designated unserved census blocks, it is uniquely positioned to bring the benefits of the Phase 1 Auction to rural unserved areas of Idaho.¹⁹ Some of the unserved census blocks are located in areas where

¹⁴ *Id.* para. 94.

¹⁵ *Id.* para. 96.

¹⁶ *Id.* para. 97.

¹⁷ *Id.* para. 98.

¹⁸ Application at 3.

¹⁹ *Id.*

Allied is licensed to provide CMRS and for which it is not presently designated as an ETC.²⁰ The Company believes it is in the public interest to approve its ETC Application. The Company requests that its Application be conditional upon a successful award in Auction 901. Allied believes that granting the Company ETC status will promote competition, the deployment of higher quality services, and the rapid deployment of new telecommunications technologies.²¹

STAFF ANALYSIS

Staff has reviewed Allied's Application and has conducted an analysis of the Company's compliance with 47 U.S.C. § 214(e)(2), 47 C.F.R. § 54.1003, Order No. 29841 and the Auction 901 requirements. In addition, Staff has analyzed the public interest benefits of awarding the Company a conditional ETC designation.

Allied seeks ETC designation conditioned upon Allied winning support from the Mobility fund Phase 1 auction, as outlined in the FCC's USF/ICC Transformation Order.²² The Company does not seek ETC designation if it does not receive any funds from Auction 901.

Auction 901 Analysis for Idaho

On February 10, 2012, the FCC released DA 12-187 – The Mobility Fund Phase I Auction Updated List of Potentially Eligible Census Blocks. Attachment A of this notice provided a summary of the updated list of potentially eligible Census Blocks. In Idaho, there are 197 unserved blocks serving a total population of 43,307 over 38,962 square miles.

Public Interest Analysis

Under Section 214 of the Telecommunications Act of 1996, individual State Commissions must determine that an ETC designation is consistent with the public interest, convenience and necessity.²³

Mobility Fund Phase 1 recipients must offer voice service with coverage of at least 75 percent or more of the designated road miles within the area for which support is provided. Additionally, receipt of the Mobility Fund Phase 1 support is conditioned upon the recipient

²⁰ *Id.* at 10.

²¹ *Id.* at 11.

²² *Id.* at 7, *USF/ICC Transformation Order* para. 390.

²³ 47 U.S.C. § 214(e)(2).

providing service over a network that achieves particular data rates under particular conditions, which the FCC refers to as 3G networks or better.²⁴

Allied's Application is for ETC designation outside of its current ETC service area and in unserved areas. As such, the public interest analysis is a simple one. The fact that no carriers provide service in these census blocks at the data rates outlined by the FCC suggests that it would be in the public interest to allow Allied the opportunity to deploy services to these areas.

Other Public Interest Considerations

When applying the public interest test for an ETC Application, Staff has reviewed other requirements that ETCs must satisfy. These public interest considerations are summarized below:

Company contribution to the Idaho Telephones Service Assistance Program (ITSAP). Staff has verified that the Company is remitting ITSAP fees to the program Administrator.²⁵

Allied has the ability to remain functional in emergency situations.²⁶ Allied has the ability to remain functional in emergency situations as required by FCC rules and previously determined by the Commission in Order No. 32209. Specifically, Allied has adequate amounts of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.²⁷

For the reasons stated above, Staff believes that Allied satisfies the public interest analysis.

Other ETC Designation Requirements

Additional requirements for ETC designation, not previously discussed, are detailed in the Appendix 1 of Order No. 29841 and discussed more fully below.

²⁴ Auction 901 Procedures Public Notice para. 26.

²⁵ 2011 ITSAP Annual Report, Confidential Monthly Reports.

²⁶ Application at 13.

²⁷ *Id.* at 8.

1. Common Carrier Status. Allied is a Commercial Mobile Radio Services (CMRS) carrier providing “mobile service” as defined in 47 U.S.C. § 153(27).²⁸
2. Provide the Universal Services. Allied offers the federally designated services listed at 47 U.S.C. §54.10(a).²⁹
3. Advertising. Allied will advertise the availability and pricing of its universal service offering.³⁰
4. The Commitment and Ability to Provide Supported Service. Allied commits to provide all of the supported services throughout its designated service area as required.³¹
5. Commitment to Consumer Protection and Service. Allied will satisfy applicable consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3) and the IPUC ETC Requirements Order.³²
6. Description of the Local Usage Plan. Allied’s service offering are comparable to the offerings of the incumbent local exchange carrier (ILEC), taking into consideration all of the attributes of its and the ILECs’ service offering.³³
7. Tribal Notification. Allied will comply with this requirement. Allied submitted a copy of its Application to Coeur d’Alene Tribe, Shoshone-Bannock Tribes of the Fort Hall Reservation of Idaho, Nez Perce Tribe of Idaho and Kootenai Tribe of Idaho.³⁴

STAFF RECOMMENDATION

Staff has reviewed Allied’s Application for conditional designation as an ETC for the purpose of participating in the Mobility Fund Phase 1 Auction for areas outside of its existing ETC area and only in the areas in which it is awarded Mobility Fund Support.

Staff believes that Allied’s Application for a conditional ETC designation in the unserved census blocks in Idaho is in the public interest and recommends approval of the Application.

²⁸ *Id.* at 5
²⁹ *Id.*
³⁰ *Id.* at 6.
³¹ *Id.*
³² *Id.* at 9.
³³ *Id.*
³⁴ Application Cover Letter.

Respectfully submitted this 5th day of July 2012.



Neil Price

Technical Staff: Grace Seaman

i:umisc:comments/allt10.1npgs comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 5TH DAY OF JULY 2012, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. ALL-T-10-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY