

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF
IAT COMMUNICATIONS, INC., d.b.a.
NTCH-IDAHO, INC. OR CLEAR TALK
FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER

Case No. GNR-T-03-08

IN THE MATTER OF THE APPLICATION
OF NPCR, INC. d.b.a. NEXTEL PARTNERS
SEEKING DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS
CARRIER

Case No. GNR-T-03-16

**DIRECT TESTIMONY OF GLENN W. ISHIHARA ON BEHALF OF
IAT COMMUNICATIONS, INC. DBA CLEAR TALK**

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I. IDENTIFICATION OF WITNESS, FACTUAL BACKGROUND, AND PURPOSE OF TESTIMONY

Q. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT, AND BUSINESS ADDRESS.

A. My name is Glenn W. Ishihara. I am president of IAT Communications, Inc., a Delaware corporation, and chief financial officer of NTCH-Idaho, Inc., an Idaho corporation, collectively doing business as Clear Talk (“Clear Talk”). Clear Talk’s offices are located at 233 N. Main Street, Pocatello, Idaho, 83204.

Q. WHAT ARE YOUR RESONSIBILITIES WITHIN CLEAR TALK?

A. My primary responsibilities are to oversee Clear Talk’s financial operations. I am involved in regulatory and legislative matters for Clear Talk, at both the state and federal levels. I participate in the filing and management of Clear Talk’s applications for Eligible Telecommunications Carrier (“ETC”) status in Idaho and Colorado, and potentially several other state commission and Federal Communications Commission (“FCC”) dockets. I have substantial knowledge about the products and services offered by Clear Talk, as well as Clear Talk’s network and business operations. I have substantial knowledge about the service offerings Clear Talk offers in Idaho, including their features, pricing, and services. I am also involved in the management of regulatory proceedings in several states involving E911, CALEA, etc.

Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.

1 A. I have worked for Clear Talk since June 1999. Prior to joining Clear Talk, I
2 was involved in managing several businesses, including a public-private
3 partnership in the real estate industry.

4 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

5
6 A. I hold both a B.S. Degree in Finance and an M.B.A. from the University of
7 Southern California.

8 **Q. DOES CLEAR TALK CURRENTLY PROVIDE**
9 **TELECOMMUNICATIONS SERVICE IN IDAHO?**

10
11 A. Clear Talk is a "telecommunications carrier" as defined in 47 U.S.C.
12 §153(49). Clear Talk is authorized by the FCC and provides commercial
13 mobile radio services ("CMRS") under the brand name "Clear Talk" in FCC-
14 defined Basic Trading Areas No. 451 (Twin Falls), 202 (Idaho Falls), and 353
15 (Pocatello), which cover a substantial portion of southeast Idaho, including
16 various exchange areas and/or wirecenters in Idaho. The CMRS services
17 provided by Clear Talk in Idaho include mobile telephony, 911, and several
18 other features and services. Clear Talk has been serving the communications
19 needs of Idaho consumers in these areas since 2001.

20 **Q. TURNING TO THE MATTER OF UNIVERSAL SERVICE, DOES**
21 **CLEAR TALK CURRENTLY CONTRIBUTE TO THE FUNDING**
22 **FOR UNIVERSAL SERVICE?**

23
24 A. At the present time, federal regulations require most CMRS carriers to
25 contribute approximately 28 percent of their revenues to the funding of
26 federal universal service. Many states, including Idaho, also require Clear
27 Talk to contribute to the funding of the state equivalent of universal service.

1 Clear Talk makes quarterly contributions to the Idaho Telecommunications
2 Service Assistance Program ("ITSAP").

3 **Q. IS THE COMPANY PRESENTLY ABLE TO DRAW FROM THE**
4 **FEDERAL UNIVERSAL SERVICE FUND FOR THE PROVISION OF**
5 **THE SUPPORTED SERVICES IN IDAHO?**
6

7 A. No. Until Clear Talk is designated as an ETC in the requested exchange areas
8 and/or wirecenters within Clear Talk's FCC-defined service boundaries, Clear
9 Talk is not able to draw from the federal universal service fund for those
10 areas. Upon designation as an ETC, Clear Talk will be eligible to receive
11 universal service support in the designated exchange areas and/or wirecenters,
12 which designation will allow Clear Talk to expand its high-quality, low-cost
13 wireless service to more rural customers and will allow Clear Talk to compete
14 equitably with the incumbent ETCs, which are currently eligible for and
15 actually receiving federal universal service support. Without access to
16 universal service funding, a competitive carrier like Clear Talk will be limited
17 in its ability to provide a competitive telecommunications service to
18 consumers, especially in high-cost areas such as those served by rural
19 telephone companies in Idaho. Unlike urban areas where carriers are able to
20 compete based upon the cost of providing service, consumers in rural high-
21 cost areas will not experience the full benefits of competition unless
22 competitive carriers are designated as ETCs, and are thereby allowed entry to
23 the universal service market.

24 **Q. DID CLEAR TALK FILE AN APPLICATION FOR DESIGNATION**
25 **AS AN ETC IN THE STATE OF IDAHO?**
26

1 A. Yes. Clear Talk's Petition for ETC Designation (the "Application") in this
2 proceeding was originally filed with the Idaho Public Utilities Commission
3 (the "Commission") on February 3, 2003.

4 **Q. HAS CLEAR TALK PREVIOUSLY BEEN DESIGNATED AS AN ETC**
5 **IN IDAHO?**

6 A. Yes. This Application is Clear Talk's first application for ETC designation
7 in Idaho. In connection with this Application, Clear Talk has already been
8 designated as an ETC in certain exchange areas in Idaho.¹

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10
11 A. The purpose of my testimony is to describe how Clear Talk provides the
12 supported services in Idaho, to identify Clear Talk's plans for providing a
13 basic universal service offering within the state of Idaho in compliance with
14 the federal ETC criteria, and to show how the designation of Clear Talk as an
15 ETC in the proposed exchange areas and/or wirecenters is in the public
16 interest.

17 **Q. WHY IS CLEAR TALK SEEKING DESIGNATION AS AN ETC?**

18 A. Section 214(e) of the Communications Act of 1934, as amended by the
19 Telecommunications Act of 1996 ("Act"), provides that a carrier must obtain
20 designation as an ETC from a state commission in order to be eligible to
21 receive universal service support.

22 **Q. IS IT CLEAR TALK'S INTENT TO OBTAIN UNIVERSAL SERVICE**
23 **SUPPORT FOR THE PROVISION OF TELECOMMUNICATIONS**
24 **SERVICES TO THE PUBLIC?**

25
26 A. Yes.
27

¹ Idaho Public Utilities Commission, Order No. 29261, dated June 10, 2003, Docket No. GNR-T-03-8.

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II. STANDARDS FOR ETC DESIGNATION

Q. ARE WIRELESS PROVIDERS SUCH AS CLEAR TALK ELIGIBLE TO BE DESIGNATED AS ETCs?

A. Yes. Both the Act and the FCC’s decision In the Matter of Federal-State Joint Board on Universal Service, CC Docket 96-45, Report and Order, FCC 97-157 (May 8, 1997) (“Universal Service Order”) establish the directives for the Commission to follow in making ETC designations. Section 214(e) specifically provides for the designation of all telecommunications carriers, which includes a wireless provider such as Clear Talk, as ETCs for federal universal service support. The FCC has further concluded:

We agree with the Joint Board’s analysis and recommendation that any telecommunications carrier using any technology, *including wireless technology*, is eligible to receive universal service support if it meets the criteria under Section 214(e)(1).

Universal Service Order, ¶ 145 (emphasis added). In fact, the Idaho Public Utilities Commission has already determined that Clear Talk meets the requirements under Section 214(e)(1),² which are as follows:

A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received---

(A) Offer the services that are supported by Federal universal service support mechanisms under Section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier); and

² Idaho P.U.C., Order No. 29261, dated June 10, 2003, Docket No. GNR-T-03-8.

1 (B) Advertise the availability of such services and the
2 charges therefore using media of general distribution.
3

4 47 U.S.C. § 214(e)(1) (emphases added).
5

6 **Q. IN WHAT AREAS IS CLEAR TALK SEEKING DESIGNATION AS**
7 **AN ETC?**

8
9 A. Clear Talk is seeking designation as an ETC in certain exchange areas and/or
10 wirecenters within the FCC-defined Basic Trading Areas (“BTAs”) for which
11 Clear Talk has been granted a license in Idaho. A list of Clear Talk’s
12 proposed designated service areas is attached as Exhibit A to this testimony.
13 The appropriateness of these requested service area designations is discussed
14 later in this testimony.
15

16 **Q. UNDER THE TELECOMMUNICATIONS ACT OF 1996, WHAT ARE**
17 **THE PREREQUISITES FOR DESIGNATION AS AN ETC?**

18
19 A. Section 214(e)(2) provides that a “state commission shall upon its own
20 motion or upon request designate a common carrier that meets the
21 requirement of paragraph (1) as an eligible telecommunications carrier for a
22 service area designated by the commission.” 47 U.S.C. § 214(e)(2) (emphasis
23 added). An applicant meets the requirements of paragraph (1) of section
24 214(e) if it: (1) is a common carrier; (2) will offer the supported services; (3)
25 will advertise the availability of the supported services; and (4) will make the
26 supported services available throughout a designated service area.

27 **Q. THE FIRST CRITERION FOR ETC DESIGNATION UNDER**
28 **SECTION 214(e)(1) IS THAT OF A COMMON CARRIER. IS CLEAR**
29 **TALK A COMMON CARRIER?**
30

1 A. Yes. Clear Talk is a “common carrier” for purposes of obtaining ETC
2 designation under 47 U.S.C. sec. 214(e)(1). A common carrier is generally
3 defined in 47 U.S.C. § 153(10) as a person engaged as a common carrier on a
4 for-hire basis in interstate communications utilizing either wire or radio
5 technology. The FCC’s regulations specifically provide that a Commercial
6 Mobile Radio Service provider (“CMRS,” more commonly known as
7 “Personal Communications Service” or “PCS”), such as Clear Talk, is a
8 common carrier. See 47 C.F.R. § 20.9(a)(7).

9 Q. **AS FOR THE SECOND REQUIREMENT, THAT CLEAR TALK**
10 **OFFER THE SUPPORTED SERVICES, WHAT ARE THE**
11 **SUPPORTED SERVICES THAT MUST BE OFFERED?**
12

13 A. The FCC has identified the following nine services and functionalities as the
14 core services to be offered by an ETC and supported by federal universal
15 service support mechanisms:

- 16 1. voice-grade access to the public switched network;
- 17 2. local usage;
- 18 3. dual tone multi-frequency signaling or its functional equivalent;
- 19 4. single-party service or its functional equivalent;
- 20 5. access to emergency services;
- 21 6. access to operator services;
- 22 7. access to interexchange services;
- 23 8. access to directory assistance; and
- 24 9. toll limitation for qualifying low-income consumers.

25 47 C.F.R. § 54.101(a).

26

1 **III. DESCRIPTION OF CLEAR TALK'S SERVICE**

2
3 **Q. COULD YOU EXPLAIN EACH OF THE SUPPORTED SERVICES**
4 **AND HOW CLEAR TALK PROVIDES THESE SERVICES?**

5
6 A. Yes. Clear Talk currently offers and is able to provide its Idaho customers
7 the services and functionalities identified by the FCC in 47 C.F.R. §
8 54.101(a) within its designated service areas. Each of these federal universal
9 services is discussed more fully below.

10 a. Voice-grade access to the public switched telephone network. The
11 FCC concluded that voice-grade access means the ability to make and receive
12 phone calls, within a bandwidth of approximately 2700 Hertz within the 300
13 to 3000 Hertz frequency range. See Universal Service Fourth Order on
14 Reconsideration, FCC 97-420 (Dec. 30, 1997). There is no requirement to
15 support high-speed data transmissions. See Universal Service Order, ¶¶ 63-
16 64. Clear Talk meets this requirement of providing voice-grade access to the
17 public switched network. Through its interconnection arrangement with
18 Qwest, all customers of Clear Talk are able to make and receive calls on the
19 public switched network within the specified bandwidth.

20 b. Local usage. Beyond providing access to the public switched
21 network, an ETC must include an amount of free local usage as part of a
22 universal service offering. To date, the FCC has not quantified a minimum
23 amount of local usage required to be included in a universal service offering,
24 but has initiated a separate proceeding to address this issue. See Universal
25 Service Further Notice of Proposed Rulemaking, FCC 98-278 (Oct.26, 1998)

1 (“October 1998 NPRM”). As it relates to local usage, the NPRM sought
2 comments on a definition of the basic service package that must be offered by
3 all ETCs. Specifically, the FCC sought comments on how much, if any, local
4 usage should be required to be provided to customers as part of a universal
5 service offering. October 1998 NPRM, ¶¶ 46-52. In the Universal Service
6 Order, the FCC deferred a determination on the amount of local usage that a
7 carrier would be required to provide. Universal Service Order, ¶ 67. Any
8 minimum local usage requirement established by the FCC as a result of the
9 October 1998 NPRM will be applicable to all designated ETCs, not simply
10 wireless service providers. Clear Talk will comply with any and all minimum
11 local usage requirements adopted by the FCC or any applicable requirements
12 adopted by the Commission. In the meantime, Clear Talk will meet the local
13 usage requirement by including local usage as part of its basic universal
14 service offering (“BUS”).

15 c. Dual-tone, multi-frequency (“DTMF”) signaling, or its functional
16 equivalent. DTMF is a method of signaling that facilitates the transportation
17 of call set-up and call detail information. Consistent with the principles of
18 competitive and technological neutrality, the FCC permits carriers to provide
19 signaling that is functionally equivalent to DTMF in satisfaction of this
20 service requirement. 47 C.F.R. § 54.101(a)(3). Clear Talk currently uses out-
21 of-band digital signaling and in-band multi-frequency (“MF”) signaling that
22 is functionally equivalent to DTMF signaling. Clear Talk therefore meets the
23 requirement to provide DTMF signaling or its functional equivalent.

1 d. Single-party service or its functional equivalent. “Single-party
2 service” means that only one party will be served by a subscriber loop or
3 access line, in contrast to a multi-party line. Universal Service Order, ¶ 62.
4 Clear Talk meets the requirement of single-party service by providing a
5 dedicated message path for the length of all customer calls.

6 e. Access to emergency services. The ability to reach a public safety
7 answering point (“PSAP”) by dialing 911 is a required service in any
8 universal service offering. Enhanced 911 or E911, which includes the
9 capability of providing both automatic numbering information (“ANI”) and
10 automatic location information (“ALI”), is only required if a PSAP certifies
11 that it is capable of receiving and utilizing ANI and ALI and formally
12 requests such information from the carrier. See Universal Service Order, ¶¶
13 72-73. Clear Talk currently provides all of its customers with access to
14 emergency services by dialing 911 in satisfaction of this requirement. Clear
15 Talk stands ready to provide E911 service to its customers once a PSAP
16 submits a compliant request to Clear Talk.

17 f. Access to operator services. Access to operator services is defined as
18 any automatic or live assistance provided to a consumer to arrange for the
19 billing or completion, or both, of a telephone call. Universal Service Order, ¶
20 75. Clear Talk meets this requirement by providing all of its customers with
21 access to operator services provided by either Clear Talk or other entities (e.g.
22 LECs, IXCs, etc.).

23 g. Access to interexchange service. A universal service provider must
24 offer consumers access to interexchange service to make and receive

1 interexchange calls. Equal access, however, is not required. “The FCC
2 do[es] not include equal access to interexchange service among the services
3 supported by universal service mechanisms.” Universal Service Order, ¶ 78.
4 Clear Talk presently meets this requirement by providing all of its customers
5 with the ability to make and receive interexchange or toll calls through direct
6 interconnection arrangements Clear Talk has with several interexchange
7 carriers (IXCs). Additionally, customers are able to reach their IXC of choice
8 through the use of calling cards.

9 h. Access to directory assistance. The ability to place a call directly to
10 directory assistance is a required service offering. White pages directories
11 and listings are not required service offerings. Universal Service Order, ¶¶
12 80-81. Clear Talk meets this requirement by providing all of its customers
13 with access to directory assistance by dialing “411” or “555-1212.”

14 i. Toll limitation for qualifying low-income consumers. An ETC must
15 offer either “toll control” or “toll blocking” services to qualifying Lifeline
16 customers at no charge. The FCC no longer requires an ETC to provide both
17 services as part of the toll limitation service required under 47 C.F.R. §
18 54.101(a)(9). See Universal Service Fourth Order on Reconsideration, FCC
19 97-420 (Dec. 30, 1997). In particular, all ETCs must provide toll blocking,
20 which allows customers to block the completion of outgoing toll calls.
21 Universal Service Order, ¶ 82. Once designated an ETC, Clear Talk will
22 participate in Lifeline and other lower-income programs, as required, and will
23 provide toll blocking in satisfaction of federal requirements. Clear Talk
24 currently provides toll-blocking services, at no charge, for international calls

1 and customer selected toll calls. Clear Talk can and will utilize the same toll
2 blocking technology to provide this service to its Lifeline and other lower-
3 income customers, at no charge, as part of its universal service offerings once
4 designated as an ETC.

5 **Q. HOW WILL CLEAR TALK COMBINE THE SUPPORTED**
6 **SERVICES INTO A UNIVERSAL SERVICE OFFERING?**

7
8 A. Clear Talk currently provides the supported services using its existing
9 network infrastructure and licensed CMRS spectrum. Clear Talk will
10 continue to deliver the supported services to consumers using the same
11 antennae, cell sites, towers, trunk lines, mobile switching center, and
12 interconnection facilities used for its existing PCS service. Clear Talk also
13 regularly deploys additional cell sites, as necessary, to maximize signal
14 coverage and service availability. In order to meet service requests
15 throughout of the entirety of designated exchange areas and/or wirecenters,
16 Clear Talk may, as needed, contract to use the facilities of other facilities-
17 based carriers, as allowed by federal law.

18 Clear Talk intends to offer the supported services to universal service
19 customers in a basic universal service offering, using Clear Talk's PCS
20 network in conjunction with fixed wireless local loop equipment. Clear
21 Talk's BUS can be offered and provided without any changes to Clear Talk's
22 existing network.

23 **Q. WHAT IS WIRELESS LOCAL LOOP SERVICE?**

24
25 A. A wireless local loop involves the use of a wireless access unit at a
26 customer's location to transmit the signal to the nearest cell site. The wireless

1 access unit is a piece of equipment that serves as the interface to the Clear
2 Talk network over the CMRS spectrum in the same manner as a conventional
3 PCS handset. A wireless access unit is typically a desk unit that is more
4 powerful than a conventional handset and simulates dial-tone.

5 **Q. HOW IS WIRELESS LOCAL LOOP SERVICE DIFFERENT FROM**
6 **CONVENTIONAL PCS SERVICE?**

7
8 A. The principal difference is in the capabilities of the customer's
9 transmitter/receiver, with the wireless local loop being able to provide
10 stronger transmitting/receiving capabilities than a mobile handset. The
11 network cannot distinguish the two types of service. However, although
12 wireless local loop technology is identical to conventional PCS service, it is
13 generally marketed more as a residence-based service that competes with
14 landline service offerings. As a result, advertising materials and the customer
15 service agreement reflect this difference.

16 **Q. HOW DOES WIRELESS LOCAL LOOP SERVICE GIVE CLEAR**
17 **TALK AN ADVANTAGE AS IT PROVIDES UNIVERSAL**
18 **SERVICES?**

19
20 A. There are spots within its coverage area where a conventional PCS customer
21 may not have strong signal coverage. In these areas, the wireless local loop
22 technology offering might be more appropriate for the customer. Because the
23 wireless access unit is typically more powerful than a conventional handset,
24 reception is greatly improved. This offering gives Clear Talk another option
25 as it seeks to meet requests for universal services within its designated ETC
26 service areas. At the same time, Clear Talk is able to provide all of its
27 customers with a much larger "local" calling area than a landline carrier, so

1 that a Clear Talk universal service customer will likely incur significantly
2 fewer toll calls.

3 **Q. WHAT OTHER MEANS CAN CLEAR TALK EMPLOY TO MEET**
4 **REQUESTS FOR SERVICE?**

5
6 A. The FCC has made clear that an ETC must be given an opportunity to expand
7 its network, over time, to meet reasonable requests for service. Clear Talk
8 accepts that obligation, and fully expects that as its network expands over
9 time, it will be able to meet all such requests. If Clear Talk receives a request
10 for service in an area outside its existing PCS signal coverage, there are
11 numerous ways for Clear Talk to provide service. A technician can install a
12 high-gain antenna at the location, or the power at an existing cell site can be
13 turned up or redirected, or antennae can be adjusted (e.g., azimuth and
14 downtilt), or microwave equipment can be installed, or new cell sites could be
15 built, or Clear Talk can contract for the use of another carrier's facilities.
16 Through one or more of these options, Clear Talk will be able to meet
17 requests for service throughout the entirety of its designated ETC service
18 areas, either using its own facilities or through combination of its own
19 facilities and resale of another carrier's facilities.

20 **Q. IS THE FCC CURRENTLY CONSIDERING WHETHER ETC**
21 **DESIGNATION FOR A WIRELESS CARRIER IS APPROPRIATE?**

22
23 A. No. The FCC has already definitively concluded that ETC designation for a
24 wireless carrier is appropriate. The FCC's Universal Service Order discusses
25 at length the different types of carriers eligible to receive universal service
26 support. Universal Service Order, ¶¶ 127-81. Specifically, the FCC

1 determined that a wireless carrier, such as Clear Talk, may be designated as
2 an ETC under Section 214(e). The FCC stated:

3 “ . . . any telecommunications carrier using any technology,
4 including wireless technology, is eligible to receive universal
5 service support if it meets the criteria established in Section
6 214(e)(1). We agree with the Joint Board that any wholesale
7 exclusion of a class of carriers by the [FCC] would be
8 inconsistent with the language of the statute and the pro-
9 competitive goals of the 1996 Act. The treatment granted to
10 certain wireless carriers under section 332(c)(3)(A) does not
11 allow states to deny wireless carriers eligible status.” Id.

12 **Q. IS THERE ANY DOUBT THAT THE DESIGNATION OF WIRELESS**
13 **CARRIERS AS ETCs IS APPROPRIATE?**

14
15 A. No. Over the past five years, the FCC and state commissions in more than 20
16 jurisdictions have designated CMRS carriers as ETCs. The appropriateness
17 and authority of the FCC and state commissions to designate wireless carriers
18 as ETCs is well-settled. Indeed, the Idaho Commission has already
19 designated Clear Talk as a competitive ETC within certain exchange areas
20 and/or wirecenters in Idaho.

21 **Q. CAN YOU TELL US ANY SPECIFICS REGARDING THE “BASIC**
22 **UNIVERSAL SERVICE” THAT CLEAR TALK PLANS TO OFFER IF**
23 **DESIGNATED AS AN ETC IN IDAHO?**

24
25 A. Yes. Subject to Commission approval, Clear Talk currently plans to include
26 the following as part of its Basic Universal Service offering (“BUS”):

- 27 • Local usage

- 1 • A local calling area equivalent to, or greater than, the local calling
- 2 area offered by the LEC
- 3 • A basic monthly service charge that is comparable to the existing
- 4 LEC's
- 5 • Ability to add features like voicemail and caller identification for
- 6 an additional charge
- 7 • Four-digit dialing to other Clear Talk subscribers in the same
- 8 NXX
- 9 • Favorable purchase terms for customer premises equipment

10

11 **IV. ADVERTISING OF CLEAR TALK SERVICE**

12

13 **Q. A THIRD REQUIREMENT FOR DESIGNATION AS AN ETC IS TO**
14 **ADVERTISE THE AVAILABILITY OF THE SUPPORTED**
15 **SERVICES. HOW DOES CLEAR TALK INTEND TO ADVERTISE**
16 **THE AVAILABILITY OF THE SUPPORTED SERVICES?**

17

18 A. Based upon the recommendations of the Joint Board, the FCC has not
19 adopted particular standards regarding advertising using media of general
20 distribution under Section 214(e)(1). Universal Service Order, ¶ 148.
21 Nonetheless, Clear Talk will advertise the availability of the supported
22 services and the corresponding charges in a manner that fully informs the
23 general public within the designated service areas of the services and charges.
24 Clear Talk currently advertises its wireless services through several different
25 media, including newspaper, television, radio, and billboard advertising.
26 Clear Talk also maintains various retail store locations throughout its

1 authorized service areas, which provide an additional source of advertising.
2 Clear Talk's current advertising is not limited to advertising in business
3 publications alone, but rather includes publications targeted to the general
4 residential market. Clear Talk will use the same media of general distribution
5 that it currently employs to advertise its universal service offerings
6 throughout the service areas designated by the Commission. Clear Talk will
7 also comply with all form and content requirements, if any, adopted by the
8 FCC or the Commission in the future and required of all designated ETCs.

9

10 **V. SERVICE AREAS IN WHICH CLEAR TALK SEEKS ETC**
11 **DESIGNATION**

12
13
14 **Q. YOU STATE THAT CLEAR TALK WILL MAKE AVAILABLE A**
15 **UNIVERSAL SERVICE OFFERING TO ALL CONSUMERS WITHIN**
16 **A DESIGNATED SERVICE AREA. HOW SHOULD THE**
17 **COMMISSION ESTALBISH THE DESIGNATED SERVICE AREAS?**

18
19 **A.** The Commission clearly has the authority to establish universal service areas.

20
21 A State Commission shall upon its own motion or
22 upon request designate a common carrier that meets
23 the requirements of paragraph (1) as an eligible
24 telecommunications carrier for a service area
25 designated by the State commission.

26
27 47 U.S.C. § 214(e)(2) (emphasis added). The service areas established by the

28 Commission must be consistent with the universal service goals of

29 competitive and technological neutrality. Clear Talk seeks designation as an

30 ETC in certain exchange areas and/or wirecenters (as set forth in Exhibit A)

31 that fall within Clear Talk's authorized service areas under its FCC licenses.

32 Clear Talk will make the supported services available to consumers within its

1 designated service areas using its own facilities and/or, if needed, a
2 combination of its own facilities and those of other facilities-based carriers.

3 **Q. HOW ARE THE SERVICE AREAS DETERMINED UNDER**
4 **SECTION 214(e) FOR PURPOSES OF ETC DESIGNATION?**

5
6 A. Section 214(e)(5) of the Act defines the term “service area” as a geographic
7 area established by a state commission for the purpose of determining
8 universal service obligations and support mechanisms. For an area served by
9 a rural telephone company, Section 214(e)(5) and FCC Rule 54.207(b)
10 provide that the term “service area” means the rural telephone company’s
11 “study area,” unless and until the FCC and the states establish a different
12 definition for such a company under the FCC’s procedures prescribed in Rule
13 54.207(c) and (d). A “study area” is generally considered to be the rural
14 incumbent LEC’s existing certificated service areas in a given state.

15 Universal Service Order, ¶ 172, fn. 434. The FCC recommended that states
16 seek to redefine rural telephone company service areas to better accommodate
17 competition and serve the universal service policy objectives of the Act.

18 Universal Service Order, ¶ 190; see also 47 C.F.R. § 54.207(c)(3)(ii).

19 **Q. IS CLEAR TALK SEEKING ETC DESIGNATION IN EACH**
20 **SERVICE AREA CONTAINED WITHIN ITS AUTHORIZED PCS**
21 **LICENSED AREA?**

22
23 A. Yes. Clear Talk reviewed and analyzed its PCS license areas and its existing
24 signal coverage. Using publicly available mapping software and Clear Talk’s
25 own radio frequency signal propagation information (i.e., coverage), Clear
26 Talk determined the extent to which each exchange and/or wirecenter within
27 its PCS-licensed area is currently covered, and where coverage could be

1 extended if necessary to respond to a request for service. Clear Talk's
2 Application seeks ETC designation in all exchanges and/or wirecenter(s)
3 within Clear Talk's PCS-licensed area.

4 **Q. WHERE CLEAR TALK'S SIGNAL COVERAGE DOES NOT**
5 **APPEAR TO EXTEND OVER AN ENTIRE EXCHANGE AND/OR**
6 **WIRECENTER, DOES THE COMPANY REQUEST DESIGNATION**
7 **AS AN ETC IN ONLY PART OF THE EXCHANGE AND/OR**
8 **WIRECENTER?**

9
10 A. Yes. Clear Talk requests ETC designation in partial exchanges and/or
11 wirecenters within its FCC-licensed BTA. Although the FCC has determined
12 that partial wirecenter designation is not required, the FCC has determined
13 that partial wirecenter designation is appropriate. Clear Talk therefore
14 requests that the Commission designate Clear Talk as an ETC throughout the
15 areas listed on Exhibit A.

16 **Q: WHAT DO YOU MEAN BY "PARTIAL WIRECENTER"?**

17 A: An ETC application need not show full coverage of a wirecenter – or
18 exchange -- to be designated throughout that wirecenter. In a case involving
19 another carrier's petition for preemption of a South Dakota order, the FCC
20 determined that ubiquitous coverage throughout a wirecenter is not required
21 in order for a competitive carrier to be designated an ETC.

22 We find the requirement that a carrier provide service to
23 every potential customer throughout the service area before
24 receiving ETC designation has the effect of prohibiting the
25 provision of service in high-cost areas. As an ETC, the
26 incumbent LEC is required to make service available to all
27 consumers upon request, but the incumbent LEC may not
28 have facilities to every possible consumer. We believe the
29 ETC requirements should be no different for carriers that are
30 not incumbent LECs. A new entrant, once designated as an
31 ETC, is required, as the incumbent is required, to extend its
32 network to serve new customers upon reasonable request.

1 We find, therefore, that new entrants must be allowed the
2 same reasonable opportunity to provide service to requesting
3 customers as the incumbent LEC, once designated as an
4 ETC. Thus, we find that a telecommunications carrier's
5 inability to demonstrate that it can provide ubiquitous
6 service at the time of its request for designation as an ETC
7 should not preclude its designation as an ETC.
8

9 *Declaratory Ruling*, Western Wireless Corporation Petition for Preemption of
10 an Order of the South Dakota Public Utilities Commission, CC Docket 96-45,
11 FCC 00-248, ¶ 17 (rel. Aug. 10, 2000) (footnotes omitted) ("*South Dakota*
12 *Preemption Order*").

13 **Q. WILL CLEAR TALK MEET THE ETC SERVICE OBLIGATION, AS**
14 **ARTICULATED IN THE SOUTH DAKOTA PREEMPTION ORDER, IN**
15 **ALL OF THE EXCHANGE AREAS AND/OR WIRECENTERS FOR**
16 **WHICH IT SEEKS ETC DESIGNATION?**
17

18 **A.** Yes. Clear Talk is committed to meeting the service obligations of an ETC, as
19 articulated in the *South Dakota Preemption Order*, to "extend its network to
20 serve new customers upon reasonable request." Clear Talk is comfortable
21 making this commitment and is confident it will meet this commitment based
22 on its network, its options for enhancing and expanding its signal coverage
23 and facilities, and the basic universal service offering Clear Talk can offer to
24 its Idaho customers within the designated service areas.
25

26 **VI. PUBLIC INTEREST**
27

28 **Q. BEFORE DESIGNATING CLEAR TALK AS AN ETC IN THE**
29 **DESIGNATED AREAS, IS THE COMMISSION REQUIRED TO FIND**
30 **THAT THE DESIGNATION IS IN THE PUBLIC INTEREST?**
31

1 A. Yes. In territories served by a rural telephone company, a public interest
2 finding is required and is a prerequisite for designation as an ETC.

3 **Q. IS THE DESIGNATION OF CLEAR TALK AS AN ADDITIONAL**
4 **ETC IN THE PUBLIC INTEREST?**

5
6 A. Yes. Designating Clear Talk as an ETC in Idaho will bring competition to
7 rural, high-cost areas, and competition is in the public interest. One of the
8 underlying purposes of the Telecommunications Act of 1996 is to “promote
9 competition and reduce regulation in order to secure lower prices and higher
10 quality services for American telecommunications consumers and encourage
11 the rapid deployment of new telecommunications technologies.” 100 Stat. 56
12 (1996). The public interest standard under Section 214(e)(2) emphasizes
13 competition and consumer benefits-- not incumbent protection. As explained
14 by Senator Dorgan, who offered the amendment to the Senate bill inserting
15 the public interest requirement in Section 214(e)(2), “The best interests of
16 rural consumers are paramount.” 141 Cong. Rec. S7951 (June 8, 1995).

17 The failure to designate Clear Talk as an ETC would deprive
18 consumers of the benefits of competition, including increased choices, higher
19 quality service, and lower rates. Rural consumers should be allowed to
20 choose services from a carrier that best meets the consumer’s
21 communications needs. Absent a choice of service providers, the consumer is
22 unable to make a selection based upon service quality, service availability, or
23 service rates. The incumbent provider has little or no incentive to introduce
24 new, innovative or advanced service offerings. Competition promises to
25 bring new and beneficial services to rural consumers in Idaho.

1 Clear Talk will offer universal services to rural consumers, as well as
2 services not currently provided by the landline LEC. For example, Clear Talk
3 may provide an expanded local calling area, which will benefit rural
4 consumers who currently pay toll charges to reach family, friends,
5 government offices, health care providers, and businesses located outside of a
6 landline's restricted local calling area.

7 In addition to increased choices, Idaho rural consumers may also
8 experience lower rates. When compared side-by-side with other ETCs' basic
9 universal service offerings, the rates for Clear Talk's BUS will be comparable
10 to, if not less than, the local service rates charged by the incumbent LEC, and
11 Clear Talk will provide equivalent – or better – services and features.
12 Otherwise, Clear Talk will not likely attract any customers. Likewise, Clear
13 Talk's service quality will need to meet or exceed the quality of services
14 provided by the incumbent LEC in order for Clear Talk to obtain – and retain
15 -- customers. Designating Clear Talk as an ETC will also further the
16 deployment of Clear Talk's facilities-based network in Idaho.

17 Through the establishment of a competitive universal service system,
18 the rural consumer will be better able to keep pace with urban consumers in
19 terms of the availability – and price -- of telecommunications services. Clear
20 Talk stands ready, willing and able to bring competition to consumers in
21 Idaho, which will result in better consumer pricing, better service quality,
22 faster service availability, and better customer service. The increased choices
23 for rural consumers will advance universal service. There can be no dispute

1 that giving consumers a choice in services and service providers is in the
2 public interest.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4
5 **A. Yes.**
6
7
8

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF
IAT COMMUNICATIONS, INC., d.b.a.
NTCH-IDAHO, INC. OR CLEAR TALK
FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER

Case No. GNR-T-03-08

IN THE MATTER OF THE APPLICATION
OF NPCR, INC. d.b.a. NEXTEL PARTNERS
SEEKING DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS
CARRIER

Case No. GNR-T-03-16

AFFIDAVIT OF GLENN W. ISHIHARA

I HAVE READ the foregoing DIRECT TESTIMONY OF GLENN W. ISHIHARA ON BEHALF OF IAT COMMUNICATIONS, INC. DBA CLEAR TALK and I swear under penalty of perjury under the laws of the State of Idaho and the United States of America that the statements contained therein are true and correct to the best of my knowledge, information and belief.



Glenn W. Ishihara

CLEAR TALK COVERAGE AREA -- Idaho Exchanges and Wire Centers

**Idaho PUC Docket No. GNR-T-03-8
EXHIBIT 1 TO CLEAR TALK DIRECT TESTIMONY**

Company	City	County	Wire Center Code	Exchange
Qwest Communications/RBOC	American Falls	Power	AMFLIDMARS1	American Falls
	Blackfoot	Bingham	BLFTIDMADS0	Blackfoot
(Note: Pursuant to PUC Order No. 29261, dated 6/10/2003, Clear Talk was designated as an Eligible Telecommunications Carrier in these Listed Qwest Exchange Areas)	Bliss	Gooding	BLSSIDMARS1	Bliss
	Buhl	Twin Falls	BUHLIDMARS1	Buhl
	Burley	Cassia	BRLYIDMADS0	Burley
	Firth	Bingham	FRTHIDMARS1	Shelley
	Fort Hall	Bingham	RVSDIDMARS1	Pocatello
	Gooding	Gooding	GDNGIDMARS1	Gooding
	Idaho Falls	Bonneville	IDFLIDMADS1	Idaho Falls
	Inkom	Bannock	INKMIDMARS1	Pocatello
	Jerome	Jerome	JERMIDNMDS0	Jerome
	Kimberly	Twin Falls	KMBRIDMARS1	Kimberly
	Lava Hot Springs	Bannock	LHSPIDMARS1	Lava Hot Springs
	McCammon	Bannock	MCCMIDMARS1	McCammon
	Pocatello	Bannock	PCTLIDMADS1	Pocatello
	Rexburg	Madison	RXBGIDMADS0	Rexburg
	Rigby	Madison	RGBYIDMARS1	Rigby
	Shelley	Bonneville	SHLYIDMARS1	Shelley
	Twin Falls	Twin Falls	TWFLIDMADS0	Twin Falls
	Ucon	Bonneville	RGBYIDMARS1	Idaho Falls
	Wendell	Gooding	WNDLIDMARS1	Wendell
Fremont Telecom	Ashton	Fremont	ASTNIDMARS0	Ashton
	Chester	Fremont	STATIDMADS0	St. Anthony
	StAnthony	Fremont	STATIDMADS0	St. Anthony
Project Mutual	Heyburn	Minidoka	HYBNIDO1RSO	Qwest/Burley
	Paul	Minidoka	PAULIDXCRS0	Paul
	Rupert	Minidoka	RPRTIDXCDS0	Rupert
Citizen Telecom of ID	Aberdeen	Power	ABRDIDXCDS0	Aberdeen

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2nd day of September, 2003, I caused a true and correct copy of the foregoing **DIRECT TESTIMONY OF GLENN W. ISHIHARA ON BEHALF OF CLEAR TALK** to be served by the method indicated below, and addressed to the following:

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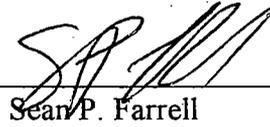
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Signed: _____



Sean P. Farrell
Clear Talk