

BEFORE THE IDAHO PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
WWC HOLDING CO., INC. DBA CELLULAR-) CASE NO. WST-T-05-1
ONE® SEEKING DESIGNATION AS AN)
ELIGIBLE TELECOMMUNICATIONS) COMMENTS OF CITIZENS
CARRIER THAT MAY RECEIVE FEDERAL) COMMUNICATIONS OF
UNIVERSAL SERVICE SUPORT) IDAHO, dba FRONTIER
) COMMUNICATIONS**

In it order No. 29791 dated May 27, 2005 the Commission requested parties to provide additional comments on whether or not it should adopt the FCC's ETC rules.

Citizens Communications of Idaho, dba Frontier Communications (Frontier) recommends that the Commission adopt the ETC designation rules adopted by the FCC in CC Docket No. 96-45, released March 17, 2005, as minimum standards for ETC designation. Further, Frontier recommends that The Commission consider additional conditions for ETC designations in rural areas.

The FCC and the Joint Board on Universal service conducted extensive analysis and investigation before adopting the rules now being considered for adoption by the Commission, and, as stated in the Commission's own order, "the FCC encouraged State commissions to adopt the new FCC Rules when processing an application for ETC designation".¹ Frontier believes that the FCC and Joint board analysis are relevant to this rulemaking and recommends that the Commission take administrative notice of the FCC's record in Docket No. 96-45 (FCC 05-46).

In addition, Frontier recommends that the Commission consider favorably the comments, previously filed by Frontier in this docket on April 28, 2005. Frontier also supports the comments previously filed by Century tel in this docket.

¹ Idaho PUC order No. 29791 Sec 3. The FCC Rules.

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Finally, Frontier recommends that the Commission adopt the following additional conditions for establishment of an additional ETC in rural areas of Idaho.

1. All ETCs should be required to assume the same service standards and reporting obligations. This would include Carrier of last resort obligations. In the current competitive telecommunications environment it is essential that carriers that expect the same benefits of ETC designation be required to accept the same obligations. Also, since Federal rules allow an ETC to withdraw from an area served by more than one ETC, all ETCs must be willing and able to fulfill all of the expectations and obligations of existing carriers.

2. An applicant for designation as a second or multiple ETC in rural areas should be required to demonstrate that the benefits of designation clearly outweigh the costs. Although competition is the goal of Federal and State policy, which is strongly supported by Frontier, introducing competition into rural areas raises the costs per line of existing companies. With low customer density, the costs of providing access to the PSTN in rural areas, which are already high, must be spread over a smaller customer base. Additional competitors in rural areas curb the growth of established providers and thereby limit opportunities for them to offset their higher costs by exploiting economies of scale and scope. While fewer opportunities to take advantage of economies of scale and scope are available, both established providers and new entrants will draw from the USF to cover duplicate network costs. This places greater pressure on existing USF support mechanisms which will require increases to the contribution factor and force public policy makers to look for additional sources of funding for these support mechanisms. ETC applicants must be required to show that their entry into these high cost areas justifies the increased costs.

Respectfully submitted this 16 day of June, 2005



Ingo Henningsen

Manager, State Government Affairs

Citizens Communications of Idaho dba Frontier

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF WWC)
HOLDING CO., INC. DBA CELLULAR-ONE®)
SEEKING DESIGNATION AS AN ELIGIBLE)
TELECOMMUNICATIONS CARRIER THAT MAY)
RECEIVE FEDERAL UNIVERSAL SERVICE)
SUPPORT)**

DOCKET NO. WST-T-05-01

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this filing dated June 16, 2005 by Citizens Telecommunications Company of Idaho was this day mailed (electronically or by USPS) to the following:

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DATED this 16th Day of June 2005.

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