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SC PUBLIC SERVICE COMMISSION

February 3, 2012

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket No. 2010-385-C, Application of Allied Wireless Communications Corporation for Designation as an Eligible Telecommunications Carrier

Dear Ms. Boyd:

In its Order of January 11, 2012, the Commission granted Allied Wireless Communications Corporation's ("Allied Wireless") motion to hold in abeyance, and directed Allied Wireless to file a brief concerning the full impact of the FCC's Universal Service Fund-Intercarrier Compensation Reform Order ("*USF-ICC Reform Order*"), an effective overhaul of the FCC's universal service rules, by February 10, 2012.[1] On behalf of Allied Wireless, I respectfully request that the Commission receive this letter as its brief.

After further examination of the *USF-ICC Reform Order* and related proceedings, Allied Wireless hereby requests that the Commission continue to hold in abeyance any consideration of Allied Wireless' pending Eligible Telecommunications Carrier ("ETC") application. The reasons for Allied Wireless' request -- to which the other parties in this docket do not object – are explained herein.

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[1] *Connect America Fund,* WC Docket No. 10-90, *A National Broadband Plan for Our Future,* GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers,* WC Docket No. 07-135, *High-Cost Universal Service Support,* WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime,* CC Docket No. 01-92, *Federal-State Joint Board on Universal Service,* CC Docket No. 96-45, *Lifeline and Link-Up,* WC Docket No. 03-109, *Universal Service Reform – Mobility Fund,* WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 2011 WL 5844975 (rel., Nov. 18, 2011), 76 Fed. Reg. 73830 (Nov. 29, 2011) (*"ICC-USF Reform Order"*); *Connect America Fund,* WC Docket No. 10-90, *A National Broadband Plan for Our Future,* GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers,* WC Docket No. 07-135, *High-Cost Universal Service Support,* WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime,* CC Docket No. 01-92, *Federal-State Joint Board on Universal Service,* CC Docket No. 96-45, *Lifeline and Link-Up,* WC Docket No. 03-109, *Universal Service Reform – Mobility Fund,* WT Docket No. 10-208, Order on Reconsideration, FCC 11-189, 2011 WL 6778613 (rel., Dec. 23, 2011).

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While the *USF-ICC Reform Order* establishes the general parameters of the future Connect America Fund ("CAF") and Mobility Fund, the full impact of the *USF-ICC Reform Order* has yet to be determined. However, additional information that will further clarify the FCC's recent universal service reforms will soon be provided. The FCC is expected to take action later this year that will directly affect the ability of a carrier, such as Allied Wireless, to receive CAF support if it is designated as an ETC in South Carolina. Therefore, Allied Wireless requests that its ETC application be held in abeyance until such time as the FCC takes additional action to reform universal service

Allied Wireless' request is consistent with the Commission's prior ruling in this matter. On July 29, 2011, by Order, the Commission decided to hold in abeyance Allied Wireless' ETC application "until such time as the FCC rules on revisions to the Federal Universal Service Fund."[2] On November 18, 2011, the FCC released its anticipated *USF-ICC Reform Order* that replaces today's USF with a new "Connect America Fund." As a result of the FCC's adoption of its *USF-ICC Reform Order*, Allied Wireless had expected that its pending ETC application would now be ripe for a decision by this Commission.[3] However, the exact impact of the FCC's *USF-ICC Reform Order* has yet to be fully determined. For example, the *USF-ICC Reform Order* includes a Further Notice of Proposed Rulemaking ("FNPRM") that is intended to flesh out and further expand the FCC's rules in order to significantly reform universal service. The decisions made by the FCC in response to this FNPRM will undoubtedly affect carriers, such as Allied Wireless, including a carrier's future eligibility to draw universal service support, as well as a carrier's future status as a competitive ETC ("CETC").

As part of the *USF-ICC Reform Order*, the FCC adopted reforms to secure funding for mobile services directly, through a newly created "Mobility Fund."[4] Phase I of the Mobility Fund will provide one-time support of $300 million awarded through an auction to the lowest bidding ETC in certain geographic regions of the country. The FCC's goal is to hold this auction at some point in 2012, with support starting to flow to CETCs in 2013.[5] Phase II of the Mobility Fund will provide USF support to competitive ETCs on an ongoing basis, with an annual budget of $500 million, starting in 2013. The FCC has stated that Phase I will not provide support for multiple providers in an area, but instead, the support will be directed to areas "where no provider currently offers such services" (*i.e.*, "unserved areas").[6]

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[2] *Application of Allied Wireless Communications Corporation d/b/a Alltel for Designation as an Eligible Telecommunications Carrier*, Order Holding Ruling on Application in Abeyance, Docket No. 2010-385-C; Order No. 2011-509 (adopted, July 29, 2011).

[3] Letter from Charles L.A. Terreni, Counsel for Allied Wireless, to The Honorable Jocelyn Boyd, Chief Clerk and Administrator (Jan. 10, 2012).

[4] *See ICC-USF Reform Order* at para. 295.

[5] *Id.* at para. 299.

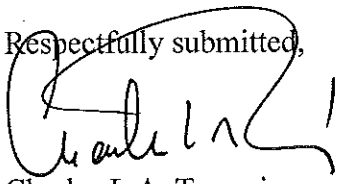
[6] *Id.* at paras. 315-20.

"Unserved areas" will be identified by the FCC on a census block basis using American Roamer data.[7] The FCC intends to make its list of "unserved areas" available in advance of the Phase I Mobility Fund auction and allow interested parties to challenge the list if they believe it is inaccurate. The release date of the FCC's list of "unserved areas" is not yet known, although it is expected later this year. A determination by the FCC that certain regions in South Carolina are, or are not, "unserved areas" will directly affect Allied Wireless' ability to receive USF support if it is designated as an ETC by the Commission. As a result, the full impact of the FCC's *USF-ICC Reform Order* on Allied Wireless' pending ETC application is not yet known.

Given this continued uncertainty, Allied Wireless respectfully requests that its pending ETC application continue to be held in abeyance by the Commission pending further FCC action. Allied Wireless will advise the Commission when the FCC publishes its final list of "unserved areas," and, at that time, will provide the Commission with its analysis of the impact that this list has on Allied Wireless' pending ETC application.

Allied Wireless respectfully suggests that this course of action would serve the interests of judicial economy. As stated above, Allied has consulted with both counsel for the Office of Regulatory Staff and the Intervenors, and they do not object to this request.

Respectfully submitted,



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Nanette S. Edwards, Esquire
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David A LaFuria, Esquire
Mr. Rohan Ranaraja

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[7] *Id.* at para. 331-37.

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2010-385-C

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CERTIFICATE OF SERVICE

I, Debra Covington, hereby certify that I have, on this 3rd of February, 2012, served a brief concerning the impact of the FCC ruling on this docket upon all parties below, believed to be of record, and a copy of said brief was sent U. S. Mail, to the below named parties:

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