Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
Federal-State Joint Board on)	0 < 4 =
Universal Service) CC Docket No	. 96-45
Guam Cellular and Paging, Inc. d/b/a)	
Guamcell Communications)	
Petition for Designation as an)	
Eligible Telecommunications Carrier)	
In the Territory of Guam)	

MEMORANDUM OPINION AND ORDER

Adopted: January 24, 2002 Released: January 25, 2002

By the Deputy Chief, Common Carrier Bureau:

I. INTRODUCTION

1. In this Order, we grant the petition of Guam Cellular and Paging, Inc. d/b/a Guamcell Communications (Guamcell) to be designated as an eligible telecommunications carrier (ETC) in the territory of Guam pursuant to section 214(e)(6) of the Communications Act of 1934, as amended (the Act). In so doing, we conclude that Guamcell has provided an affirmative statement that the Public Utilities Commission of Guam (Guam Commission) lacks the jurisdiction to perform the designation over Guamcell and that the Commission therefore has authority to perform the requested ETC designation under section 214(e)(6) of the Act. We also find that Guamcell has satisfied the statutory eligibility requirements of section 214(e)(1). Specifically, we conclude that Guamcell has demonstrated that it will offer and advertise the services supported by the federal universal service support mechanisms throughout the designated service area. In addition, we find that the designation of Guamcell as an ETC in the area served by Guam Telephone Authority, which is the rural incumbent local exchange carrier

¹ Guam Cellular and Paging, Inc. d/b/a Guamcell Communications Petition for Designation as an Eligible Telecommunications Carrier in the territory of Guam, filed July 26, 2001 (Guamcell Petition). See 47 U.S.C. § 214(e)(6). The Commission has jurisdiction over interstate and foreign common carrier communications that originate or terminate in the United States. See 47 U.S.C. §§ 151 and 152. Guam, as a United States territory, is subject to the jurisdiction of the Commission. See 47 U.S.C. § 153(51) (defining "United States" to include "the several States and Territories."). See also IT & E Overseas, Inc. and PCI Communications, Inc. Petition for Emergency Relief and Expedited Declaratory Ruling, Memorandum Opinion and Order, 7 FCC Rcd 4023 (1992) (holding that the Commission has exclusive jurisdiction over interstate and foreign common carrier communications that originate or terminate in the territory of Guam).

² 47 U.S.C. § 214(e)(6).

³ 47 U.S.C. § 214(e)(1).

(LEC) in Guam,⁴ serves the public interest by promoting competition and the provision of new technologies to consumers in high-cost and rural areas of Guam.

II. BACKGROUND

A. The Act

- 2. Section 254(e) of the Act provides that "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support." Pursuant to section 214(e)(1), a common carrier designated as an ETC must offer and advertise the services supported by the federal universal service mechanisms throughout the designated service area.⁶
- 3. Section 214(e)(2) of the Act gives state commissions the primary responsibility for performing ETC designations. Section 214(e)(6), however, directs the Commission, upon request, to designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission." Under section 214(e)(6), upon request and consistent with the public interest, convenience, and necessity, the Commission may, with respect to an area served by a rural telephone company, and shall, in all

A common carrier designated as an eligible telecommunications carrier under [subsections 214(e)(2), (3), or (6)] 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
- (B) advertise the availability of such services and the charges therefor using media of general distribution.

47 U.S.C. § 214(e)(1).

⁴ See Guamcell Petition at 3 and 9.

⁵ 47 U.S.C. § 254(e).

⁶ Section 214(e)(1) provides that:

⁷ 47 U.S.C. § 214(e)(2). See also Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12255, para. 93 (2000) (Twelfth Report and Order).

⁸ 47 U.S.C. § 214(e)(6). See Designation of Fort Mojave Telecommunications, Inc., Gila River Telecommunications, Inc., San Carlos Telecommunications, Inc., and Tohono O'odham Utility Authority as Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, CC Docket No. 96-45, Memorandum Opinion and Order, 13 FCC Rcd 4547 (Com. Car. Bur. 1998); Petition of Saddleback Communications for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act, CC Docket No. 96-45, Memorandum Opinion and Order, 13 FCC Rcd 22433 (Com. Car. Bur. 1998); Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48 (Com. Car. Bur. 2000); Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier for the Pine Ridge Reservation in South Dakota, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 18133 (2001).

other cases, designate more than one common carrier as an ETC for a designated service area, so long as the requesting carrier meets the requirements of section 214(e)(1). Before designating an additional ETC for an area served by a rural telephone company, the Commission must determine that the designation is in the public interest. On December 29, 1997, the Commission released a Public Notice establishing the requisite procedures for carriers seeking Commission designation as an ETC under section 214(e)(6).

B. Twelfth Report and Order and the Guamcell Petition

- 4. Pursuant to the *Twelfth Report and Order*, carriers seeking designation as an eligible telecommunications carrier for service provided on non-tribal lands must first consult with the appropriate state regulatory commission, even if the carrier contends that the state commission lacks jurisdiction over the carrier.¹² While a carrier may assert that state law precludes the state commission from exercising jurisdiction over the carrier for purposes of ETC designation under section 214(e)(2), the principle of federal-state comity dictates that the state commission be afforded an opportunity to interpret state law.¹³ Accordingly, the Commission will only consider section 214(e)(6) designation requests from carriers serving non-tribal lands where a carrier provides the Commission with an "affirmative statement" from a court of competent jurisdiction or the state commission that it lacks jurisdiction to perform ETC designations over a particular carrier.¹⁴
- 5. Guamcell consulted with the Guam Commission regarding its jurisdiction over commercial mobile radio service (CMRS) carriers in connection with Guamcell's efforts to obtain ETC designation for the territory of Guam.¹⁵ In response to Guamcell's inquiry, the Guam Commission released a letter on June 1, 2001, indicating that the Guam Commission

⁹ 47 U.S.C. § 214(e)(6).

¹⁰ *Id*.

¹¹ Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, Public Notice, 12 FCC Rcd 22947 (1997) (Section 214(e)(6) Public Notice). In the Section 214(e)(6) Public Notice, the Commission delegated authority to the Chief of the Common Carrier Bureau to designate carriers as ETCs pursuant to section 214(e)(6). The Commission instructed carriers seeking ETC designation to, among other things, set forth the following in a petition: (1) a certification and brief statement of supporting facts demonstrating that the petitioner is "not subject to the jurisdiction of a state commission;" (2) a certification that the petitioner offers all services designated for support by the Commission pursuant to section 254(c); (3) a certification that the petitioner offers the supported services "either using its own facilities or a combination of its own facilities and resale of another carrier's services;" and (4) a description of how the petitioner "advertise[s] the availability of [supported] services and the charges therefor using media of general distribution." If the petitioner meets the definition of a "rural telephone company" under section 3(37) of the Act, the petitioner must also identify its study area. If the petitioner is not a rural telephone company, the petitioner must include a detailed description of the geographic service area for which it requests a ETC designation from the Commission. Id.

¹² Twelfth Report and Order at 12255, para. 93.

¹³ *Id.* at 12264, para. 113.

¹⁴ *Id.* An "affirmative statement" from a state commission may consist of any duly authorized letter, comment, or state commission order indicating that the body lacks jurisdiction to perform the requested designation for a particular carrier. *Id.*

¹⁵ Guamcell Petition at 3.

"does not presently regulate the permitting, rates or business activities of telecommunications carriers other than GTA [Guam Telephone Authority]," the incumbent local exchange carrier serving Guam. Guam. Guam. Guamcell filed with this Commission a petition pursuant to section 214(e)(6) seeking designation of eligibility to receive federal universal service support for service to be provided throughout its licensed service area in the territory of Guam. Contending that the June 2001 letter from the Guam Commission constitutes an affirmative statement that the Guam Commission "does not intend to designate CMRS carriers as ETCs," Guamcell asks the Commission to exercise jurisdiction and designate Guamcell as an ETC pursuant to section 214(e)(6). Guamcell further maintains that it satisfies the statutory and regulatory prerequisites for ETC designation, and that designating Guamcell as an ETC will serve the public interest.

III. DISCUSSION

- 6. We find that Guamcell has met all the requirements set forth in sections 214(e)(1) and (e)(6) to be designated as an ETC by this Commission for the provision of service throughout the territory of Guam. We conclude that Guamcell has demonstrated that the Guam Commission lacks the jurisdiction to perform the designation and that the Commission therefore may consider Guamcell's petition under section 214(e)(6). We also conclude that Guamcell has demonstrated that it now offers or will offer and advertise the services supported by the federal universal service support mechanisms throughout the designated service area upon designation as an ETC. Furthermore, we find that the designation of Guamcell as an ETC in the area served by the rural telephone company in Guam serves the public interest by promoting competition and the provision of new technologies to consumers in high-cost and rural areas of Guam. Pursuant to our authority under section 214(e)(6), we therefore designate Guamcell as an ETC for the territory of Guam.
- 7. <u>Commission Authority to Perform the ETC Designation.</u> We find that Guamcell has demonstrated that the Guam Commission lacks the jurisdiction to perform the requested ETC designation and that the Commission therefore has authority to consider Guamcell's petition under section 214(e)(6) of the Act. Guamcell submitted an "affirmative statement" from the Guam Commission, stating that the Guam Commission "does not presently regulate the permitting, rates or business activities of telecommunications carriers other than GTA." This conclusion appears to be consistent with the Guam law, which limits the Guam Commission's regulatory oversight authority to statutorily defined public utilities. The Guam Code defines a "public utility" as:

[T]he Guam Power Authority, the Guam Telephone Authority, the Guam

¹⁶ See Guamcell Petition at Exhibit A (Letter from Public Utilities Commission of Guam to Guamcell Communications, dated June 1, 2001 (Guam Commission Letter)).

¹⁷ See generally Guamcell Petition.

¹⁸ Guamcell Petition at 3-4.

¹⁹ *Id*. at 1.

²⁰ See Guam Commission Letter.

²¹ 12 Guam Code Ann. § 12004 (2001).

Waterworks Authority, the Guam Memorial Hospital Authority or any duly licensed private contractor operating: (i) a facility or subsystem of the community-wide water production and distribution system, or (ii) a facility or subsystem of the community-wide waste water disposal system, or both, or any private golf course management corporation leasing public property providing preferential golf rates and reservations to Guam residents.²²

- 8. Under the circumstances, we find that the Guam Commission Letter constitutes an affirmative statement that the Guam Commission lacks jurisdiction to designate Guamcell as an eligible telecommunications carrier under section 214(e)(2) of the Act. We conclude, therefore, that the Commission has authority to perform the requested ETC designation pursuant to section 214(e)(6).
- 9. <u>Offering the Services Designated for Support.</u> We find that Guamcell has demonstrated that it now offers or will offer the services supported by the federal universal service mechanisms upon its designation as an ETC. Therefore, we conclude that Guamcell complies with the requirement of section 214(e)(1)(A) to "offer the services that are supported by Federal universal service support mechanisms under section 254(c)."²³
- 10. As noted in its petition, Guamcell is a CMRS carrier "licensed to provide cellular radiotelephone service on frequency block A in the Guam RSA [Rural Service Area]." Guamcell states that it currently provides all of the services and functionalities enumerated in section 54.101(a) of the Commission's rules throughout its cellular service area in Guam. Upon designation as an ETC, Guamcell also indicates that it will continue to make available its universal service offering. Finally, Guamcell commits to provide service to any requesting customer within the designated service area.
- 11. The Guamcell Petition was not opposed by any parties.²⁸ No party disputes that Guamcell has the capability to offer voice-grade access to the public network, the functional equivalents to DTMF signaling and single-party service, access to operator services, access to interexchange services, access to directory assistance, and toll limitation for qualifying low-income consumers.²⁹ Nor does any party dispute that Guamcell complies with applicable law

²² See 12 Guam Code Ann. § 12000 (2001) (emphasis added).

²³ 47 U.S.C. § 214(e)(1)(A).

²⁴ Guamcell Petition at 1.

²⁵ *Id*. at 2.

²⁶ *Id*.

²⁷ *Id*.

²⁸ On August 1, 2001, the Common Carrier Bureau released a Public Notice seeking comment on the Guamcell Petition. *See Common Carrier Bureau Seeks Comment on Guam Cellular and Paging, Inc. d/b/a Guamcell Communications Petition for Designation as an Eligible Telecommunications Carrier in the Territory of Guam, CC Docket No. 96-45*, Public Notice, DA 01-1842 (rel. Aug. 1, 2001). *See also* 66 Fed. Reg. 41233 (Aug. 7, 2001). No comments were submitted in response to the Public Notice.

²⁹ Pursuant to section 254(c), the Commission has defined those services that are to be supported by the federal universal service mechanisms to include: (1) voice grade access to the public switched network; (2) local usage; (3) Dual Tone Multifrequency (DTMF) signaling or its functional equivalent; (4) single-party service or its functional (continued....)

and Commission directives on providing access to emergency services.³⁰ In addition, although the Commission has not set a minimum local usage requirement, Guamcell commits to comply with any and all minimum local usage requirements adopted by the Commission and will include local usage as part of its universal service offering.³¹ In sum, we conclude that Guamcell has demonstrated that it will offer each of the supported services upon designation as an ETC in Guam.

- 12. Offering the Supported Services Using a Carrier's Own Facilities. We conclude that Guamcell has demonstrated that it satisfies the requirement of section 214(e)(1)(A) that it offer the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services. Guamcell states that it intends to provide the supported services "using its existing network infrastructure, which includes the same antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing conventional mobile cellular service customers." We find this certification sufficient to satisfy the requirements of section 214(e)(1)(A).
- 13. <u>Advertising the Supported Services</u>. We conclude that Guamcell has demonstrated that it satisfies the requirement of section 214(e)(1)(B) to advertise the availability of the supported services and the charges therefor using media of general distribution.³⁴ Guamcell certifies that it will advertise the availability of its universal service offering, and the charges therefor, using media of general distribution.³⁵ Guamcell currently advertises its wireless services through various media, including newspaper, television, and radio.³⁶ Guamcell states that it "will use the same media of general distribution that it currently employs to advertise its universal service offerings" throughout the designated service area.³⁷ We find this certification sufficient to satisfy the requirements of section 214(e)(1)(B). Moreover, because ETCs receive universal service support only to the extent that they serve customers, we believe that strong economic incentives exist, in addition to the statutory obligation, to advertise the universal service offering in Guam.

equivalent; (5) access to emergency services, including 911 and enhanced 911; (6) access to operator services; (7) access to interexchange services; (8) access to directory assistance; and (9) toll limitation for qualifying low-income customers. 47 C.F.R. § 54.101(a).

^{(...}continued from previous page)

³⁰ See 47 C.F.R. § 54.101(a)(5) (stating that access to emergency services includes access to 911 and enhanced 911 to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems). Guamcell currently provides all of its customers with access to emergency services by dialing 911. Guamcell indicates that no public emergency service provider in Guam has requested E-911 service from Guamcell. Guamcell Petition at 6.

³¹ Guamcell Petition at 5.

³² 47 U.S.C. § 214(e)(1)(A).

³³ Guamcell Petition at 8.

³⁴ 47 U.S.C. § 214(e)(1)(B).

³⁵ Guamcell Petition at 8-9.

³⁶ *Id*.

³⁷ *Id.* at 9.

- 14. <u>Public Interest Analysis.</u> We conclude that it is in the public interest to designate Guamcell as an ETC in the designated service area that is served by GTA, the rural telephone company in Guam. At the outset, we note that no parties filed oppositions to the Guamcell Petition.³⁸ We conclude that Guamcell has made a threshold demonstration that its service offering fulfills several of the underlying federal policies favoring competition. There is nothing in the record to dispute Guamcell's contention that its provision of competitive service and new technologies in high-cost and rural areas will benefit consumers in Guam.³⁹
- 15. We note that an important goal of the Act is to open local telecommunications markets to competition. Designation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies. We find that the island of Guam will benefit from competition in the provision of telecommunications service. We agree with Guamcell that competition in Guam should result not only in increased choices, higher quality service, and lower rates, but will also provide an incentive to the incumbent rural telephone company to introduce new and innovative services, including advanced service offerings, to remain competitive, resulting in improved service to Guam consumers. We also find that the provision of competitive service will facilitate universal service to the benefit of consumers in Guam by creating incentives to ensure that quality services are available at "just, reasonable, and affordable rates."
- 16. Although we recognize the substantial benefits of competition to consumers, we conclude that additional factors may be taken into consideration in the public interest examination required by section 214(e)(6) prior to the designation of an additional ETC in an area served by a rural telephone company, such as whether consumers will be harmed. In so doing, we acknowledge that Congress expressed a specific intent to preserve and advance universal service in rural areas as competition emerges. Specifically, we believe that Congress sought to ensure that consumers in areas served by rural telephone companies continue to be adequately served should the incumbent telephone company seek to relinquish its ETC

³⁸ Pursuant to the guidelines established in the *Twelfth Report and Order*, the Bureau released, and published in the Federal Register, a Public Notice establishing the pleading cycle for Guamcell's designation request. To ensure that the state commission was notified of this proceeding, the Commission overnight-mailed the Public Notice directly to the Guam Commission. This process is specifically designed to notify and encourage participation by the states. The Guam Commission has not filed comments in this proceeding,

³⁹ The fact that neither the Guam Commission nor Guam Telephone Authority challenged the Guamcell Petition provides further support for a conclusion that the public will benefit from Guamcell's ETC designation.

⁴⁰ According to the Joint Explanatory Statement, the purpose of the Act is "to provide for a pro-competitive, deregulatory national policy framework designated to accelerate rapidly the private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition. . . ." Joint Explanatory Statement of the Committee of the Conference, H.R. Conf. Rep. No. 458, 104th Cong., 2d Sess. at 131.

⁴¹ Guamcell Petition at 9-10.

⁴² 47 U.S.C. § 254(b)(1).

⁴³ 47 U.S.C. § 214(e)(6) (stating that before designating an additional ETC for an area served by a rural telephone company, the Commission shall find that the designation is in the public interest). *See also* 47 U.S.C. § 254(b)(3).

designation under section 214(e)(4).⁴⁴

- 17. Guamcell demonstrates both the commitment and ability to provide service to rural consumers. Nothing in the record before us indicates that Guamcell may be unable to satisfy its statutory ETC obligations after designation. We note that Guamcell currently operates cell sites capable of serving 100% of Guam's population. Suamcell also indicates that it can provide the supported services using its own facilities. By choosing to use its own facilities to provide service in Guam, Guamcell can continue to offer service to any requesting customer even if the incumbent carrier subsequently withdraws from providing service. Guamcell also has indicated that it will provide service to any customer requesting service within the designated service area.
- 18. <u>Designated Service Areas.</u> Consistent with Guamcell's request, we designate Guamcell as an ETC for a service area that covers the entire territory of Guam. This service area encompasses the entire study area of the incumbent rural carrier, GTA. Guamcell's cellular geographic area covers the entire designated area and Guamcell currently provides cellular service throughout Guam.

IV. ANTI-DRUG ABUSE ACT CERTIFICATION

19. Pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, no applicant is eligible for any new, modified, or renewed instrument of authorization from the Commission, including authorizations issued pursuant to section 214 of the Act, unless the applicant certifies that neither it, nor any party to its application, is subject to a denial of federal benefits, including Commission benefits.⁵¹ This certification must also include the names of individuals specified

⁴⁹ See Guamcell Petition at 9. Under section 214(e)(5) of the Act, "service area" connotes a geographic area established by a state commission, or the Commission under section 214(e)(6), for the purpose of determining universal service obligations and support mechanisms. 47 U.S.C. § 214(e)(5).

⁴⁴ See Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 56 at para. 18 (Com. Car. Bur. 2000) (citing Letter from Earl W. Comstock, Counsel for Nucentrix, to Magalie Roman Salas, Federal Communications Commission, dated October 25, 2000).

⁴⁵ Guamcell Petition at 1.

⁴⁶ See Guamcell Petition at 8 (noting that Guamcell will provide the supported services using its existing network infrastructure).

⁴⁷ We note, however, than an ETC is not required to provide service using its own facilities. Section 214(e)(1)(A) allows a carrier designated as an ETC to offer the supported services "either using its own facilities or a combination of its own facilities and resale of another carrier's services." 47 U.S.C. § 214(e)(1)(A).

⁴⁸ Guamcell Petition at 2.

⁵⁰ A "study area" is usually an incumbent LEC's existing service area in a given state. *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8872 n.434 (1997). The "service area" of a common carrier seeking to be designated as an ETC in an area served by a rural telephone company must be the rural telephone company's study area, unless a different definition is established by the Commission and the states as provided under the Act. *See* 47 U.S.C. § 214(e)(5).

⁵¹ 47 U.S.C. § 1.2002(a); 21 U.S.C. § 862.

by section 1.2002(b) of the Commission's rules.⁵² Guamcell has provided a certification consistent with the requirements of the Anti-Drug Abuse Act of 1988.⁵³ We find that Guamcell has satisfied the requirements of the Anti-Drug Abuse Act of 1988, as codified in sections 1.2001-1.2003 of the Commission's rules.

V. ORDERING CLAUSES

- 20. Accordingly, IT IS ORDERED that, pursuant to the authority contained in section 214(e)(6) of the Communications Act, 47 U.S.C. § 214(e)(6), and the authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, Guam Cellular and Paging, Inc. d/b/a Guamcell Communications IS DESIGNATED AN ELIGIBLE TELECOMMUNICATIONS CARRIER for the territory of Guam, as discussed herein.
- 21. IT IS FURTHER ORDERED that a copy of this Memorandum Opinion and Order SHALL BE transmitted by the Common Carrier Bureau to the Universal Service Administrative Company.

FEDERAL COMMUNICATIONS COMMISSION

Carol E. Mattey Deputy Chief, Common Carrier Bureau

⁵² Section 1.2002(b) provides that a certification pursuant to that section shall include: "(1) If the applicant is an individual, that individual; (2) If the applicant is a corporation or unincorporated association, all officers, directors, or persons holding 5% or more of the outstanding stock or shares (voting/and or non-voting) of the petitioner; and (3) If the applicant is a partnership, all non-limited partners and any limited partners holding a 5% or more interest in the partnership." 47 C.F.R. § 1.2002(b).

⁵³ See Guamcell Petition at 11 and Exhibit D.