

Before the
 Federal Communications Commission
 Washington, DC 20554

In the Matter of)	
)	
Requests and Petitions for Guidance, Declaratory)	
Ruling, or Waiver of 47 C.F.R. § 54.307(b))	
)	
Requests for Review of the Decision of the)	
Universal Service Administrator by ACS Wireless,)	
Inc., AT&T Inc., Cordova Wireless)	
Communications, and PR Wireless, Inc.)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Lifeline and Link-Up)	CC Docket No. 03-109

ORDER

Adopted: July 28, 2014

Released: July 28, 2014

By the Acting Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau) resolves multiple issues related to the reporting of customer lines under the former identical support rule. Specifically, we resolve appeals related to the requirement that competitive eligible telecommunications carriers (CETCs) providing mobile service receive high-cost support in a particular service area based on customer billing addresses.¹ First, we conclude that petitioners have utilized acceptable and workable alternatives to the use of billing addresses when reporting their line counts, and therefore we grant five appeals. Second, we grant a petition for waiver filed by Arctic Slope Telephone Association Cooperative (ASTAC). Lastly, we grant in part a request to provide guidance to USAC filed by Mobi PCS and Cricket Communications; the action taken today should provide sufficient clarity to USAC to resolve these outstanding matters.

II. BACKGROUND

2. Prior to the *USF/ICC Transformation Order*, CETCs received universal service funding based on the identical support rule.² Following the reforms contained in the *USF/ICC Transformation Order*, the identical support rule and the accompanying requirements of section 54.307(b) were

¹ See Appendix. In this Order, we use the term “appeals” to refer generically to requests for review of Universal Service Administrative Company (USAC) decisions, petitions for waivers related to such decisions, and requests for a declaratory ruling or issuance of guidance to USAC. We will refer to all of these parties as Petitioners.

² See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC 17663, 17825, para. 498 (2011) (*USF/ICC Transformation Order*), *aff’d* 753 F.3d 1015 (10th Cir. 2014).

eliminated starting in January 2012. Most CETCs stopped reporting line counts at that time.³ While the identical support rule is no longer in effect, the petitions we resolve herein were all filed prior to 2012 or are related to claims for funding prior to 2012.

3. Under the former high-cost rules, a CETC received support for each subscriber line it served in an incumbent local exchange carrier's (LEC) service area.⁴ Under section 54.307(b) of the rules, in order to receive high-cost support, an ETC providing mobile service was required to report the customer's billing address for the purpose of identifying the location where service is provided.⁵ When the Commission adopted the use of customer billing address for purposes of calculating universal service support in section 54.307(b), it did so because a customer's billing address was a reasonable surrogate for the customer's location, and use of customer billing addresses would be administratively convenient for CETCs, as most CETCs would already maintain such records.⁶ In adopting the use of customer billing addresses, however, the Commission expressly recognized that in some circumstances a customer billing address might be unavailable, and some alternative mechanism would need to be employed.⁷ The Commission concluded that those situations would be addressed on a case-by-case basis.⁸

4. Eight Petitioners filed various requests related to the customer billing address requirement contained in section 54.307(b). Petitioners include ACS Wireless, Inc., ASTAC, AT&T, Inc., Cordova Wireless Communications, LLC (Cordova), Cricket Communications, Inc. (Cricket),

³ See *id.* at 17663, 17825-30, paras. 498-511. CETC support generally is now frozen on a study area basis and subject to a phase down, with the exception of support for CETCs serving the remote areas of Alaska. *Id.* at 17830-32, paras. 513-19, 47 C.F.R. § 54.307(e)(3). Recently, the Commission proposed to freeze CETC support for carriers serving the remote areas of Alaska as of December 31, 2014. The Commission also proposed to remove the requirement for such CETCs to report line count information. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., FCC 14-54, para. 256 (rel. Jun. 10, 2014) (*Connect America Fund Order/FNPRM*). The Commission proposed to eliminate section 54.307(b) and to renumber and revise section 54.307(e) of the current rules.

⁴ 47 C.F.R. § 54.307(a).

⁵ 47 C.F.R. § 54.307(b).

⁶ See

http://fjallfoss.fcc.gov/edocs_public/Query.do?sessionid=QXpDfpHR6f8PnXnhdMcdJbmmfZ3v92lZgpR00NJQ3PKYBVvLx3h!-1597281469!-1646612613?numberFld=01-157&numberFld2=&docket=&dateFld=&docTitleDesc=-213054#213054 *Federal-State Joint Board on Universal Service, Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, CC Docket Nos. 96-45, 00-256, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, 16 FCC Rcd 11244, 11314-15, para. 181 (2001) (*Joint Board on Universal Service Order*).

⁷ See *id.* at 11316, para. 184 n.438.

⁸ The Bureau previously granted a waiver of section 54.307(b) to a CETC in Alaska. In 2006, Bristol Bay Cellular Partnership filed a petition seeking waiver from the customer billing address requirements of section 54.307(b). Bristol Bay Cellular Partnership Petition for Waiver, CC Docket No. 96-45 (filed Nov. 13, 2006). Bristol Bay offered mobile service in rural Alaska. Roughly two-thirds of Bristol Bay's customers had billing addresses outside of its ETC designated service area. The Bureau granted Bristol Bay's request that it be allowed to use the customer primary place of use rather than the customer billing address for purposes of reporting its line counts to determine high-cost support. The Bureau recognized that unlike the majority of carriers, Bristol Bay's customer billing addresses differed significantly from the place of primary use of the service. Furthermore, the fact that Bristol Bay did not offer roaming service prevented the company from "gaming the system" by attempting to receive support for customers it served outside the service area for which it was designated an ETC. *Federal-State Joint Board on Universal Service, Bristol Bay Cellular Partnership Petition for Waiver of the Federal Communications Commission's Rules Concerning the Administration of the Universal Service Fund*, CC Docket No. 96-45, Order, 22 FCC Rcd 21500, 21501-02, para. 5 (Wireline Comp. Bur. 2007).

General Communication, Inc. (GCI), Mobi PCS, Inc., and PR Wireless, Inc. ACS Wireless,⁹ AT&T,¹⁰ Cordova,¹¹ and PR Wireless¹² request review of USAC decisions.¹³ In the alternative, ACS Wireless,¹⁴ ASTAC,¹⁵ and Cordova¹⁶ petition for waiver from the requirements of section 54.307(b). GCI seeks a declaratory ruling that certain practices are consistent with Commission requirements.¹⁷ Cricket and Mobi PCS have jointly filed a petition requesting that the Commission provide guidance to USAC.¹⁸

III. DISCUSSION

5. We now address specific factual circumstances to provide clarity as to how CETCs should report line counts in situations when the customer's billing address is either unavailable or does not accurately represent the location of service, which will resolve appeals of outstanding audits. We grant the relief requested by five of the Petitioners. We also grant a petition for waiver filed by ASTAC. Finally, we grant in part the petition for guidance to USAC filed by Mobi PCS and Cricket. The Commission did not intend that customer billing address would be an absolute requirement, to be used even when doing so runs counter to the underlying goal of properly allocating universal service support to areas where service is being provided.¹⁹

6. To the extent CETCs still report line counts, they generally should continue to use customer billing addresses when filing for support. However, the Commission has recognized that there are circumstances where using customer billing addresses significantly misrepresents actual usage of mobile service, and a CETC may use an alternate method to assign a customer location to advance the underlying goal of section 54.307(b): accurately identifying where customers are actually using their

⁹ ACS Wireless Request for Review and Petition for Waiver, CC Docket No. 96-45, WC Docket No. 05-337 (filed Jan. 17, 2012).

¹⁰ Request for Review by AT&T of Decision of the Universal Service Administrator, CC Docket No. 96-45, WC Docket No. 05-337 (filed June 22, 2012) (AT&T June 22 Request for Review); Request for Review by AT&T of Decision of the Universal Service Administrator, CC Docket No. 96-45 et al. (filed Apr. 16, 2013) (AT&T April 16 Request for Review). AT&T requests review on behalf of eight of its subsidiaries: Centennial Beauregard Cellular LLC, Centennial Caldwell Cellular Corporation, Centennial Cellular Tri-State Operating Partnership, Centennial Lafayette Communications LLC, Centennial Puerto Rico Operations Corporation, Dobson Cellular Systems, Inc., Michiana Metronet, Inc., and New Cingular Wireless PCS, LLC.

¹¹ Request for Review by Cordova Wireless Communications, LLC of a Decision of the Universal Service Administrator, CC Docket No. 96-45, WC Docket No. 05-337 (filed July 5, 2013) (Cordova Petition).

¹² Request for Review by PR Wireless, Inc., of a Decision of the Universal Service Administrator, CC Docket Nos. 96-45, 03-109 (filed Apr. 5, 2010).

¹³ We review these appeals of USAC decisions de novo. 47 C.F.R. § 54.723(a).

¹⁴ ACS Wireless Request for Review and Petition for Waiver.

¹⁵ ASTAC Wireless LLC Petition for Waiver of Section 54.307(b) of the Commission's Rules, CC Docket No. 96-45 (filed Jan. 31, 2008).

¹⁶ Cordova Petition at 7-11.

¹⁷ Letter from John T. Nakahata, General Counsel, GCI, to Dana Shaffer, Bureau Chief, Wireline Competition Bureau, Federal Communications Commission, CC Docket No. 96-45 (filed Jan. 26, 2009) (GCI Petition).

¹⁸ Mobi PCS, Inc. and Cricket Communications, Inc. Petition Requesting the Federal Communications Commission to Provide Guidance to the Universal Service Administrative Company, CC Docket 96-45 (filed May 29, 2009) (Mobi PCS/Cricket Petition). Subsequent to the filing of this petition, Cricket's parent company Leap Wireless was acquired by AT&T.

¹⁹ See *Joint Board on Universal Service Order*, 16 FCC Red at 11316, para. 184 n.438.

mobile service.²⁰ We caution those CETCs that still file line counts, however, that we will continue to remain vigilant for abuses of the system. ETCs that inflate or misrepresent their customer locations in a way that does not reflect where service is being used can be subject to enforcement action.

7. *ACS Wireless Request for Review and Petition for Waiver.* ACS Wireless requests review of USAC's decision disallowing support for certain lines that are used locally by end users, but for which the billing address is outside of ACS Wireless's service territory.²¹ In the alternative, ACS Wireless asks that we grant its petition for waiver in order that these lines be counted.²² We grant ACS Wireless's request for review.

8. According to the petition, ACS Wireless, which offers mobile service in Alaska, provides a number of wireless connections in Alaska on a wholesale basis to Verizon Wireless.²³ Verizon Wireless then resells those lines to customers in Alaska for use in vehicle safety, security, and connectivity systems.²⁴ When purchasing a vehicle equipped with such a system, the customer provides a home address; Verizon Wireless then assigns a mobile wireless number with an NPA-NXX homed to the wire center for that customer's address.²⁵ ACS Wireless states that because it is paid by Verizon Wireless and not by the end users, the customer billing address ACS Wireless uses for line count reports is that of Verizon Wireless, which is in Alpharetta, Georgia.²⁶ Following a data validation review of ACS's March 2011 filing, USAC directed ACS Wireless not to count these lines, as the lines were outside the area for which ACS Wireless is designated as an ETC (i.e., the addresses were in Georgia rather than Alaska).²⁷ ACS Wireless has sought review of USAC's decision, arguing that the billing addresses of the customers using the service should be used for universal service support purposes, not the address of Verizon Wireless.

9. We agree with ACS Wireless that the end user address, not the intermediate wholesale billing address, should be used for determining the line counts for high-cost support.²⁸ The Commission chose to use customer billing addresses for line counts in order to provide support based on where the service is most likely to be used.²⁹ In the context of commercial resale of service, the billing address of the wholesale "customer" may have no relation to the location where the service in fact is used. In this case, Verizon Wireless's billing address in Alpharetta, Georgia, does not reflect where the service is

²⁰ See *Connect America Fund Order/FNPRM* at para. 256 n. 470 ("In situations where customer billing addresses misrepresent actual usage of mobile service, competitive ETCs may use an alternative method to assign a customer location consistent with the Commission's objective of identifying where customers are actually using the mobile service."). We do not articulate an exhaustive list of every possible alternate method that may be acceptable. Given that line count reporting only continues to apply for certain carriers in Alaska, and the Commission has proposed to eliminate even those reports, we do not expect many new situations may arise in the future.

²¹ ACS Wireless Request for Review and Petition for Waiver at 1.

²² *Id.*

²³ *Id.* at 4.

²⁴ *Id.*

²⁵ *Id.* at 5.

²⁶ *Id.* at 5-6.

²⁷ *Id.*; see also *id.* at Exhibit A.

²⁸ *Id.* at 6.

²⁹ See

http://fjallfoss.fcc.gov/edocs_public/Query.do;jsessionid=QXpDfpHR6f8PnXnhdMcdJbmmfZ3v92IZgpR00NJQ3PKYBVvILx3h!-1597281469!-1646612613?numberFld=01-157&numberFld2=&docket=&dateFld=&docTitleDesc=-213054#213054, *Joint Board on Universal Service Order*, 16 FCC Red at 13114-15, para. 180-82.

actually being used. Consistent with the Commission's intent in using billing address as a proxy for actual use, the location of the actual end user consumer should be used in this situation.

10. ACS Wireless has suggested two possible methods of determining end user location: (1) using the end user's billing address, which is provided when the customer purchases a vehicle equipped with the communications system,³⁰ or (2) when that billing address is unavailable, using a location as determined by the assigned NPA-NXX number as a proxy for billing address.³¹ We find both of these methods to be reasonable to use. Use of the end user's billing address would be ideal, but we recognize that the end user is not a direct customer of ACS Wireless, and thus that information may not be available to ACS Wireless. If the end user's billing address is not available to ACS Wireless, the NPA-NXX number may be used as a proxy for where the customer uses the service.

11. We instruct USAC to allow ACS Wireless to use end user billing addresses or, if those are not available, NPA-NXX numbers for lines it has provided at wholesale to Verizon Wireless to determine the study areas to which lines will be assigned for purposes of receiving high-cost support. As we have found for ACS Wireless on its request for review, it is unnecessary to consider its petition for waiver, and the petition for waiver is dismissed as moot.

12. *AT&T Request for Review.* AT&T requests review of USAC's decision to recover high-cost support following audits of six subsidiary companies and the line count validation of two other subsidiary companies.³² We grant AT&T's request for review.

13. AT&T alleges that its subsidiary companies use mapping software to plot mobile customer billing addresses.³³ When the customer gives a complete street address, that customer would be plotted to the exact physical address.³⁴ However, if a customer uses a P.O. box, giving the address as the P.O. box number and ZIP code, the subsidiary companies would plot the customer to the centroid of the ZIP code.³⁵ USAC concluded that plotting to the centroid is insufficient; instead, the customer location must be plotted to the street address of the post office (i.e., the physical location of the P.O. box).³⁶

14. We conclude that AT&T's method of assigning customers with a P.O. box to a physical location is reasonable and consistent with the Commission's objective to require CETCs to report lines based on where the customer actually uses the service. We are persuaded that requiring carriers to create or purchase a database of the physical addresses of all post offices in the United States would create a substantial burden for little actual gain.³⁷ The use of customer billing address as a proxy for customer

³⁰ ACS Wireless Request for Review and Petition for Waiver at 6.

³¹ *Id.* at 11.

³² AT&T June 22 Request for Review at 1-2; AT&T April 16 Request for Review at 1-2. The subsidiary companies that were audited are Centennial Beauregard Cellular LLC, Centennial Caldwell Cellular Corporation, Centennial Cellular Tri-State Operating Partnership, Centennial Lafayette Communications LLC, Centennial Puerto Rico Operations Corporation, and Michiana Metronet, Inc. The subsidiary companies that were subject to line count validations are Dobson Cellular Systems, Inc. and New Cingular Wireless PCS, LLC. Hereinafter, these are collectively referred to as "the subsidiary companies." The audits in question related to filings made between 2006 and 2008.

³³ AT&T June 22 Request for Review at 5; AT&T April 16 Request for Review at 4.

³⁴ AT&T June 22 Request for Review at 6; AT&T April 16 Request for Review at 4.

³⁵ AT&T June 22 Request for Review at 6; AT&T April 16 Request for Review at 4.

³⁶ AT&T June 22 Request for Review at 6-7; AT&T April 16 Request for Review at 2.

³⁷ *See* AT&T June 22 Request for Review at 8; AT&T April 16 Request for Review at 7-8. As a practical matter, most lines would end up assigned to the same ETC study area whether the post office address or the centroid of the ZIP code is used. Following USAC's determination, AT&T changed the reported addresses for its P.O. box-based mobile subscribers for one of its subsidiary companies, manually obtaining the post office street addresses. According to AT&T, this process resulted in a 0.8% reduction in line counts. *See* AT&T April 16 Request for

location was originally adopted because ETCs already had access to customer billing addresses and would not need to create new databases.³⁸ Requiring AT&T to build or acquire a database of post office addresses would be antithetical to the Commission's original intent in adopting the rule. Additionally, no evidence in the record suggests that using the address of the post office is a substantially more accurate proxy for where a customer uses the service than the centroid of the ZIP code. Requiring carriers to map the location of post offices would require significant effort for little practical benefit. Conversely, using the centroid of the ZIP code provides an administratively convenient and reasonable proxy. Furthermore, allowing an ETC to use the centroid of a ZIP code rather than the exact street address of the post office is unlikely to create any significant arbitrage opportunities.

15. Therefore, we instruct USAC to recalculate the amount of support consistent with allowing for plotting P.O. boxes to the centroid of the ZIP code.

16. *PR Wireless Request for Review.* PR Wireless filed a request for review of a decision by USAC to recover universal service support following the results of a 2009 audit that revealed that no billing address information was provided for prepaid wireless customers.³⁹ We grant PR Wireless's request for review.

17. PR Wireless states it was under the mistaken impression prior to the audit that its entire ETC service area consisted of only one study area: PRTC.⁴⁰ Thus, PR Wireless reported no addresses for its prepaid customers because it believed such information would be irrelevant, as all lines would receive the same level of support as they were all in the same study area.⁴¹ However, PR Wireless states that during the audit, it discovered that its ETC service area also included territory in another study area: PRTC-Central.⁴² It then undertook the process of assigning its customers to the PRTC or PRTC-Central study areas.⁴³ However, according to the petition, as PR Wireless had no address information on its prepaid customers, it could not provide the required information to USAC.⁴⁴ USAC sought to recover high-cost support for these prepaid lines, concluding that the support had been improperly provided.⁴⁵

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Review at 6-7. Assembling a list of every post office address into a single database would be no small undertaking. As of 2011, there were over 35,000 post offices in the United States. U.S. POSTAL SERV., 2011 ANNUAL REPORT TO CONGRESS, 23 (2011).

³⁸

See http://fjallfoss.fcc.gov/edocs_public/Query.do?sessionId=QXpDfpHR6f8PnXnhdMcdJbmmfZ3v92lZgpR00NJQ3PKYBVvILx3h!-1597281469!-1646612613?numberFld=01-157&numberFld2=&docket=&dateFld=&docTitleDesc=-213054#213054 *Joint Board on Universal Service Order*, 16 FCC Rcd at 13114-15, para. 181-82.

³⁹ Request for Review by PR Wireless, Inc., of a Decision of the Universal Service Administrator at 2-3.

⁴⁰ *Id.* at 2.

⁴¹ *See id.* at 2, 5-6.

⁴² *Id.* at 2.

⁴³ *Id.*

⁴⁴ While not specifically articulated, PR Wireless's petition implies that any prepaid customer lacking a billing address was assigned to the PRTC study area.

⁴⁵ Request for Review by PR Wireless, Inc., of a Decision of the Universal Service Administrator at 2. It appears that USAC's primary ground for withholding funding was not that the prepaid customers were assigned to the wrong study area, but that no billing address was provided. *Id.* at 2 ("In the final report issued February 26, 2010, USAC made a finding that PR Wireless 'could not provide a corresponding address for prepaid wireless customers included in reported access line on High Cost filings.' . . . USAC determined that the entire amount of support paid on those lines was 'improper.'"). PR Wireless disputes the recovery of support on the grounds that the support was not improperly provided. *Id.* PRTC receives a lower level of support than PRTC-Central. Thus, it argues that any error

(continued...)

18. We conclude in this instance that it would be appropriate to provide a limited waiver of the application of section 54.307(b) for the prepaid lines without billing addresses to the extent those lines were assigned to the PRTC study area, as utilizing that approach resulted in a lower support amount than otherwise would be the case. PR Wireless's failure to collect billing addresses and its practice of assigning all subscribers to the PRTC study area actually resulted in less funding than if it had collected addresses and properly assigned subscribers to either the PRTC or PRTC-Central study area. We conclude this constitutes special circumstances justifying a waiver, and that a limited waiver advances the public interest.⁴⁶ We instruct USAC to cease recovery actions for those lines lacking billing addresses.

19. *Cordova Request for Review or Waiver.* In 2011, in the course of a routine data validation of submitted line counts, USAC informed Cordova that a number of lines were ineligible for high-cost support.⁴⁷ Cordova had initially reported a number of lines to USAC that had billing addresses outside of Cordova's service area, which USAC rejected as ineligible for support.⁴⁸ Cordova subsequently provided USAC with local addresses for these lines; however, USAC continued to reject these lines, noting that Cordova had provided insufficient evidence that the local addresses were "actual billing addresses."⁴⁹ USAC also found that Cordova had requested support for "subscriber lines that had no activity or evidence of use."⁵⁰ USAC said that if the lines were working loops, "Cordova should be able to provide a year's worth of usage to show the . . . use of the phone."⁵¹ USAC determined that Cordova did not provide such sufficient evidence to make a showing of activity on the lines, and therefore USAC withheld support for the lines in question.⁵² Cordova requests review of USAC's decision.⁵³

20. In its petition, Cordova notes that the customers with non-local billing addresses lines live or work in Cordova's service area, use the service exclusively or almost exclusively within that area, and receive bills at local addresses within that area.⁵⁴ For various reasons of administrative convenience, these customers also requested that a copy of their bills be sent to non-local billing addresses.⁵⁵ Cordova requests we review USAC's determination that these reported lines are ineligible for support, or in the alternative, that we grant a waiver to allow Cordova to receive support on these lines.⁵⁶ Cordova also appeals USAC's determination that a working loop must have activity in order to be eligible for high-cost support, arguing that no clear requirement for such activity exists in the Commission's rules.⁵⁷

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in placing prepaid customers in the PRTC rather than PRTC-Central study area could have only resulted in less support being paid to PR Wireless than it was due. *Id.* at 3-4.

⁴⁶ See *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*) (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969)).

⁴⁷ Cordova Petition at 3.

⁴⁸ *Id.* at 3-4.

⁴⁹ *Id.*

⁵⁰ USAC Decision on Appeal of the 2010 Competitive Eligible Telecommunications Carriers Line Count Validation for High Cost Program Beneficiary Cordova Wireless Communications, 2 (May 13, 2013) (provided as Exhibit A to Cordova Petition).

⁵¹ *Id.* at 3.

⁵² Cordova Petition at 3-4.

⁵³ *Id.* at 1.

⁵⁴ *Id.* at 4-5.

⁵⁵ *Id.* Customers included organizations that wanted copies of bills sent to central billing offices as well as itinerant residents that requested that copies of bills be sent to their permanent addresses.

⁵⁶ *Id.* at 7-11.

⁵⁷ See *id.* at 12.

21. We grant Cordova's request for review with respect to the disputed line counts for which it provided local addresses.⁵⁸ We conclude that Cordova adequately met the requirements of section 54.307(b) by submitting local addresses for the lines in question. The fact that copies of these bills were also sent to non-local billing addresses is immaterial. The intent of the Commission in adopting the billing address requirement was to serve as a *proxy* for where the service is actually used. Based on Cordova's representation that the subscribers in question live or operate in the Cordova service area, use Cordova wireless service in the area, and receive bills there, we conclude that the intent of the Commission's rule is satisfied.⁵⁹ We therefore instruct USAC to accept Cordova's reporting of local addresses to meet the customer billing address requirement, conditioned on Cordova providing an officer certification that this local address information is accurate to the best of his or her knowledge and that those local addresses reflect where customers actually use the service provided.⁶⁰

22. We do not address at this time Cordova's request for review of USAC's decision to withhold support for certain lines on the ground that the lines had no usage. We caution ETCs that to the extent there is evidence of waste, fraud, or abuse involving reported line counts, the Commission may take further action.

23. We remand this matter to USAC to determine which lines in Cordova's appeal were considered ineligible due to lack of local billing addresses, with instructions to calculate support for those lines consistent with this Order within 90 days of the release of this Order. As we grant Cordova's request for review with respect to the line counts for which it provided local addresses, we dismiss that portion of its petition for waiver as moot.

24. *ASTAC Petition for Waiver.* ASTAC petitions for a waiver of the customer billing address requirement of section 54.307(b), requesting instead to use a primary place of use test.

25. According to its petition, ASTAC provides mobile service in the North Slope region of Alaska, primarily in support of oil industry companies and their workers.⁶¹ Due to the harsh conditions in the North Slope region, many of these companies maintain only the personnel absolutely necessary to the natural resource extraction process in the area, while other functions such as administration and accounting are handled in less costly and more hospitable locations, such as Fairbanks, Anchorage, or even the contiguous United States. ASTAC claims that while service is provided and used in the North Slope region, these other administrative offices are used as the billing addresses.⁶² However, these billing addresses fall outside of ASTAC's service area, even though, ASTAC alleges, the subscribers make almost all their calls within ASTAC's service area.⁶³

26. Application of the Commission's rules may be waived for good cause shown.⁶⁴ Waiver is appropriate where special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.⁶⁵

⁵⁸ In light of this action, we dismiss the relevant portion of Cordova's petition for waiver as moot.

⁵⁹ *Id.* at 4.

⁶⁰ FCC Form 525, which is used by CETCs to report line count information, already includes a requirement for an officer of the submitting carrier to certify that the information contained in the report is accurate to the best of his or her knowledge. Therefore, it should pose only a minimal burden for Cordova to make that certification again in regards to its supplemental submission of local addresses.

⁶¹ ASTAC Wireless LLC Petition for Waiver of Section 54.307(b) of the Commission's Rules at 1.

⁶² *Id.* at 3.

⁶³ *Id.* at 3-4.

⁶⁴ 47 C.F.R. § 1.3.

⁶⁵ *Northeast Cellular*, 897 F.2d at 1166.

27. We conclude it is reasonable for ASTAC to use a place of primary use test rather than relying on customer billing addresses when reporting line counts. Consistent with the *Bristol Bay* precedent, we find that ASTAC has demonstrated good cause to waive the billing address requirement in section 54.307(b) of the Commission's rules. The common practice of ASTAC customers to have bills sent to areas outside of where the service is actually used qualifies as special circumstances. We further conclude that allowing ASTAC to use a primary place of use test in place of customer billing addresses advances the public interest, as this will result in high-cost funding flowing to areas where the service is actually used by ASTAC's customers. Therefore, we grant ASTAC's petition.

28. *GCI Request for Declaratory Ruling.* GCI filed a request for a declaratory ruling regarding two of its practices related to use of customer billing addresses under section 54.307(b).⁶⁶ First, GCI requests a declaratory ruling on its use of billing addresses for prepaid customers.⁶⁷ Second, GCI requests a declaratory ruling for its reporting of business customers with multiple service addresses but a single billing address.⁶⁸ We grant the request and clarify that GCI's practices are consistent with section 54.307(b).⁶⁹

29. GCI and its subsidiaries provide wireless service in the high-cost areas of Alaska.⁷⁰ According to GCI, many of its customers are seasonal workers who travel to GCI's service territory from other areas.⁷¹ These customers frequently purchase prepaid wireless service to use while in the area.⁷² Because customers prepay for service, there are no bills, and hence no billing addresses. Instead, when a customer activates the service, GCI requests a local address, which is then submitted as the billing address for purposes of section 54.307(b).⁷³ If the customer does not provide an address, GCI uses the address for the point of sale of the prepaid service.⁷⁴

30. GCI also provides wireless service to business customers.⁷⁵ GCI notes that these business customers often have multiple locations where GCI provides service. While GCI provides an invoice detailing charges and usage information to each respective service location, the bill for service is often sent to a separate location, which is sometimes outside of GCI's service area.⁷⁶ When submitting line count information for universal service purposes, GCI uses the addresses of the invoice locations rather than the single billing address location.⁷⁷ GCI argues that these invoice locations more closely reflect the point of service, and thus where high cost support should be targeted, while the official billing address is often just a billing center or company headquarters that has no correlation to service usage.⁷⁸

⁶⁶ GCI Petition at 1.

⁶⁷ *Id.* at 3-4.

⁶⁸ *Id.* at 5.

⁶⁹ The Commission may provide a declaratory ruling, either upon petition or on its own motion, to terminate a controversy or remove uncertainty. 47 C.F.R. § 1.2.

⁷⁰ GCI Petition at 3.

⁷¹ *Id.*

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *Id.* at 4.

⁷⁵ *Id.* at 5.

⁷⁶ *Id.* at 5. For example, a business customer might receive service from GCI for multiple branch offices it maintains in Alaska. GCI would send an invoice to each of these branch offices. However, the business customer could have the bill sent to its central accounting department located in the contiguous United States.

⁷⁷ *Id.*

⁷⁸ *Id.*

31. We clarify that both of the above practices are acceptable under section 54.307(b). GCI's practice provides a workable substitute for using billing addresses for prepaid customers. We approve of GCI's current methodology.

32. In a letter supporting GCI's request for a declaratory ruling, AT&T requested approval for a third method of locating prepaid wireless customers. Under AT&T's proposed method, a carrier could report prepaid wireless customers based on the location of the cell site most frequently used by the customer during the relevant quarter.⁷⁹ We find that this method also would provide an accurate indication of the location where service is received. Thus, in addition to the methods GCI articulated in its request for a declaratory ruling, a carrier may also meet the requirements of section 54.307(b) by reporting the location of the cell site most frequently used by the customer during the relevant quarter.

33. We also approve of GCI's use of invoice addresses in reporting high-cost support locations. The purpose of using a billing address was to provide a reasonable surrogate for the actual location of use for wireless service.⁸⁰ In the circumstances described by GCI, the invoice address serves this function. For customers that have multiple service addresses and receive invoices at those addresses, carriers may report those invoice addresses under section 54.307(b) as the "billing address," rather than using the address to which the actual request for payment is sent.

34. *Mobi PCS/Cricket Petition for Guidance.*⁸¹ Mobi PCS and Cricket request that we provide guidance to USAC regarding the billing address requirement of section 54.307(b).⁸² As discussed in this order, an ETC can use the physical address of the post office and assign all P.O. boxes from that post office to the proper incumbent LEC. Alternatively, carriers could use the centroid of the ZIP code, a method we approved of above with regards to AT&T's petition.

35. Where more than one incumbent LEC serves a region, petitioners recommend asking customers to identify their incumbent LEC. While customers may not know who their incumbent LEC is,⁸³ we conclude that to the extent customers are able to identify their incumbent LEC, this also would be an acceptable method to assign customers to a particular study area. We note, however, that if an ETC is going to go through the process of requesting additional information from the customer, it also could simply request a home address or service address and use that in place of the P.O. box address.

36. The decisions in this Order should provide sufficient guidance to USAC on how we interpret current section 54.307 without the need for a separate guidance letter.

IV. ORDERING CLAUSES

37. ACCORDINGLY, IT IS ORDERED that, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 0.91, 0.291, 1.2, 1.3, and 54.722 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.2, 1.3,

⁷⁹ Letter from Cathy Carpino, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 05-337 (filed Sept. 23, 2009).

⁸⁰ See *Joint Board on Universal Service Order*, 16 FCC Rcd at 13114, para. 180.

⁸¹ Smith Bagley filed comments to the Mobi/PCS petition, noting that a USAC audit had taken issue with Smith Bagley's reporting of customer billing addresses for P.O. boxes, as Smith Bagley used the centroid of the ZIP code to plot such addresses. See Letter from David A. LaFuria, Smith Bagley, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 96-45 et al. (filed March 12, 2010). As Smith Bagley's situation is substantially identical to that of AT&T, discussed above, its letter does not raise new issues that would require separate consideration in this Order.

⁸² Mobi PCS/Cricket Petition at 1.

⁸³ See Letter from David A. LaFuria, Smith Bagley, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 96-45, at 4 (filed Aug. 20, 2009).

and 54.722, that the Requests for Review, Petitions for Waiver, and Request for Declaratory Ruling by the Petitioners as listed in the Appendix ARE GRANTED to the extent described above.

38. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and section 0.91, 0.291, and 1.3 of the Commission's rules, 47 C.F.R. § 0.91, 0.291, 1.3, the petitions for waiver filed by ACS Wireless, Inc. and Cordova Wireless Telecommunications, LLC ARE DISMISSED AS MOOT to the extent described above.

39. IT IS FURTHER ORDERED that, pursuant to the authority contained in section 0.91, 0.291, and 54.702 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 54.702, the petition for guidance to the Universal Service Administrative Company filed by Mobi PCS, Inc. and Cricket Communications, Inc. IS GRANTED to the extent described above.

40. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Carol E. Matthey
Acting Chief
Wireline Competition Bureau

APPENDIX

Petitions Granted

Applicant	Audit Number	Type of Appeal
ACS Wireless, Inc.	N/A	Request for Review/Petition for Waiver
Arctic Slope Telephone Association Cooperative	N/A	Petition for Waiver
Centennial Caldwell Cellular Corp. (AT&T, Inc.)	HC-2008-079	Request for Review
Centennial Beauregard Cellular LLC (AT&T, Inc.)	HC-2008-078 HC-2007-074/HC-FL-014	Request for Review
Centennial Cellular Tri-State Operating Partnership (AT&T, Inc.)	HC-2008-080	Request for Review
Centennial Lafayette Communications LLC (AT&T, Inc.)	HC-2008-081	Request for Review
Centennial Puerto Rico Operations Corporation (AT&T, Inc.)	HC-2008BE082	Request for Review
Cordova Wireless Communications LLC ⁸⁴	N/A	Request for Review
Dobson Cellular Systems, Inc. (AT&T Inc.)	N/A	Request for Review
General Communications, Inc.	N/A	Request for Declaratory Ruling
Michiana Metronet Inc. (AT&T, Inc.)	HC-2008-095	Request for Review
New Cingular Wireless PCS, LLC (AT&T, Inc.)	N/A	Request for Review
PR Wireless, Inc.	HC-2008-324	Request for Review

⁸⁴ Granted in part.