

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the matter of:

PETTITION OF EAST KENTUCKY)
NETWORK, LLC D/B/A APPALACHIAN)
WIRELESS FOR DESIGNATION AS AN) CASE NO. 2005-00045
ELIGIBLE TELECOMMUNICATIONS)
CARRIER)

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PUBLIC SERVICE
COMMISSION

East Kentucky Network, LLC hereby submits answers to the data requests and interrogatories attached to the orders of April 25, 2005 of the Public Service Commission of the Commonwealth of Kentucky in the above styled matter.

1. Describe in detail the information about common ownership, operating management, operating name, other affiliates and operating entities of East Kentucky Network, LLC.

East Kentucky Network, LLC d/b/a Appalachian Wireless (“AW”) is owned equally by the following companies which exclusively serve Kentucky territories:

Cellular Services, Inc.	20%
(A subsidiary of Foothills Rural Telephone Coop., Inc.)	
Gearheart Communications, Inc.	20%
Mountain Telecommunications, Inc.	20%
(A subsidiary of Mountian Rural Telephone Coop., Inc.)	
Peoples Rural Telephone Coop. Corp., Inc.	20%
Thacker-Grigsby Telephone Co., Inc.	20%

AW’s operating management is entirely separate from the ownership of the company. The operating name for the cellular division of East Kentucky Network, LLC is Appalachian Wireless.

2. Identify areas in which the Applicant seeks designation as an Eligible Telecommunication Carrier (“ETC”) where there is more than one carrier designated as an ETC.

On information and belief, AW seeks designation as an ETC in the following areas in which more than one carrier has been designated as an ETC:

- The entire study area of Peoples Rural Telephone Cooperative Corp.
- Portions of the study area of Kentucky ALLTEL, Inc. – London
- Portions of the study area of Bellsouth Telecommunications, Inc.
- Portions of the study area of Kentucky ALLTEL, Inc. - Lexington

3. Of those areas in which there is more than one ETC already designated, provide an explanation of the additional benefits that will accrue to customers in those areas.

. Additional benefits include highly competitive price plans offering service for as low as \$19.99 per month, new cell site construction in unserved and underserved areas, AW's use of superior CDMA technology, and the benefits of improved customer service from AW and other carriers who will be forced to improve customer service to compete.

AW's rate plans are simply better than those offered by the existing ETCs. See Exhibit 1. AW offers consumers an array of rate plans with varying local calling areas, the smallest of which consists of 18 counties in Kentucky and two counties in Virginia, available for as low as \$24.99 per month. On information and belief, this local calling area is several times larger than ILECs' local calling areas, which generally impose toll charges on consumers calling beyond just a handful of exchanges. In fact, one of our rate plans offers unlimited calling throughout this 20-county area for \$49.99 per month, which we believe is a far superior value than wireline service can offer. Customers may also select a Tri-state rate plan with a local calling area consisting of all of Kentucky plus portions of Indiana, Ohio, West Virginia, and Tennessee. Our Southern Traveler rate plan offers consumers a local calling area consisting of Kentucky, West Virginia, Tennessee, the Carolinas, Georgia, and Florida, for as little as \$19.99 per month. Finally, our Nationwide plan permits customers to make calls toll-free throughout the contiguous United States from anywhere within the 20-county area for \$37.49 per month. Consumers also will benefit from the technologies AW offers, including improved security, color

graphics, polyphonic sounds, as well as the capability to wirelessly browse the Internet with speeds that are comparable to a home dial-up connection, including the ability to send and receive pictures. Customers may also get push-to-talk functionality on any rate plan for \$20.

The most compelling public interest benefit is AW's local focus and its commitment to increase the reach of its high-quality wireless service in Kentucky. AW is headquartered in Prestonsburg and consumers can purchase phones and service from more than 25 AW stores and authorized dealers. AW provides CDMA and analog coverage in 6,800 square miles, and this area is increasing as AW builds out its network. As an ETC, this network build-out will move more rapidly and provide coverage to many places that we would otherwise never be able to reach. In its Petition, AW stated its commitment to use its first year of high-cost support to build out its network to bring superior wireless service to seven specific communities that need better signal coverage. Beyond the first year, AW plans to use available support to continue its build-out to other communities that need coverage and to maintain and upgrade its network throughout its Kentucky service area.

AW notes that the FCC recently declined to impose a limit on the number of ETCs that may be designated in a particular rural ILEC service area, or even to create a rebuttable presumption that it is not in the public interest to have more than one ETC in each rural high-cost area.

4. **Identify those facilities that the applicant will use that are leased from other carriers.**

AW, at this time, leases no telecommunications facilities from other carriers.

- 5. Provide a list of and description of the service offerings of the Applicant, including number of minutes of use, rates and calling scope.**

See Exhibit 1 and response to (3) above.

6. Provide a map depicting the service area boundary for the Applicant's service territory.

The map attached as Exhibit A to AW's Petition shows the 18-county area that comprises its requested ETC service area, which is identical to its FCC-licensed service area.

7. Identify any gaps (areas where wireless phone service is unavailable) in any of the areas in which ETC designation is sought.

AW does not have information relating to other wireless carriers' signal coverage; accordingly, this response is limited to identifying areas its own network does not reach.

See Exhibit 2.

8. How will toll limitation service for Lifeline customers be provided?

AW will utilize its toll blocking capabilities enabling AW to provide toll blocking service for Lifeline customers.

9. How will Lifeline and Link-up services be provided?

Customers and potential customers will be informed through use of advertisement that for individuals who meet the government established criteria for designation as a qualified participant, they may receive discounted charges to help cover the cost of wireless service. The services which will be provided are:

- a. voice grade access to the public switched network;
- b. local usage;
- c. dual tone multi-frequency signaling or its functional equivalent;
- d. single-party service;
- e. access to emergency services;
- f. access to operator services;
- g. access to interexchange service;
- h. access to directory assistance; and
- i. toll limitation for qualifying low-income consumers.

- 10. For each rural telephone company serving area in which the Applicant seeks ETC designation, identify the number of customers currently served by the Applicant.**

Please see Exhibit 3.

11. Are there any areas in the Applicant's service area in which you do not provide 911 Service? If yes, identify the areas and the reason(s) why.

AW provides 911 service anywhere that a customer can place a call. Customers cannot place 911 calls on AW's network if their phone is in an area that is outside of AW's coverage area.

12. Are there any areas in which the applicant serves in which the applicant does not provide E911 Service? If yes, identify the areas and the reason(s) why.

See response to (11) above.

13. On February 28, 2005, the Federal Communication Commission (“FCC”) issued a press release summarizing its adoption of additional requirements for ETCs proceedings. (See Appendix A.) The FCC has encouraged states to adopt these same requirements. As described in the press release, provide the information described in (1) Eligibility Requirements. These eligibility requirements are:

(1) Eligibility Requirements – In satisfying its burden of proof necessary to obtain ETC designation, an ETC application must now 1) provide a five-year plan demonstrating how high-cost universal service support will be used to improve its coverage, service quality or capacity throughout the service area for which it seeks designation; 2) demonstrate its ability to remain functional in emergency situations; 3) demonstrate that it will satisfy consumer protection and service quality standards; 4) offer local usage plans comparable to those offered by the incumbent local exchange carrier (LEC) in the areas for which it seeks designation; and 5) acknowledge that it may be required to provide equal access if all other ETCs in the designated service area relinquish their designations. In addition, these requirements are made applicable on a prospective basis to all ETCs previously designated by the Commission, and such ETCs are required to submit evidence demonstrating how they comply with this new ETC designation framework by October 1, 2006.

As a preliminary matter, AW notes that the rule cited above is applicable only to petitioners seeking FCC status before the FCC under 47 U.S.C. § 214(e)(6), not state designations under 47 U.S.C. § 214(e)(2). The FCC offered them as “permissive guidelines” that state commissions may wish to consider adopting for their own designation processes. Moreover, the FCC stated that such requirements should be applied to all incumbent and competitive ETCs, not just new applicants. If this Commission wishes to consider adopting these guidelines, we believe the best way to do

so would be in a rulemaking proceeding applicable to all ETCs so that all interested parties may weigh in. Indeed, that was the approach taken by the FCC. Moreover, even companies with currently pending petitions before the FCC will not be required to comply with the requirements of that rule until October 1, 2006. Should this Commission adopt the same or similar requirements, ETCs and ETC applicants should be permitted a similar amount of time to develop their network improvement plans and take other measures to come into compliance. Subject to the foregoing, AW responds as follows:

(1) AW would like to emphasize that the five-year plan described below is dependent upon ETC designation being granted. The five-year plan to improve its coverage, service quality or capacity throughout its service area for which it seeks ETC designation includes continuing to build cell sites to improve the quality of service. In the next five years, East Kentucky Network, LLC intends to build approximately twenty-five (25) new cell sites with ETC funds as outlined in Exhibit 13.1. These plans are approximate in that the demand for service may shift, and the available levels of support may fluctuate or be altered as a matter of federal regulatory policy. However, AW's commitment to use its support for aggressive build-out in rural high-cost areas is firm, and AW will report annually to the Commission on its progress.

(2) AW will be able to maintain functionality during an emergency situation. Examples of systems in place are backup generators, backup power plants, fully redundant fiber ring, cell site on wheels (COWs), equipment redundancy and multiples of stock on hand of all things needed to restore and maintain service. In addition, the switch provider, Nortel, has Disaster Recovery Procedures, which can be seen in Exhibit 13.2.

(3) AW adheres to CTIA-The Wireless Association consumer code for wireless service and quality standards, as well as all applicable state and federal laws.

(4) As reflected by the answer to (3) above, AW offers local usage plans which are comparable or superior to those offered by incumbent local exchange carriers for the areas in which they seek ETC designation.

(5) AW acknowledges that it may be required to provide equal access if all other ETCs in the designated service areas relinquish their designation.

14. **With regard to Item (2), Public Interest Determinations, describe how public interest standards will be met.**

(2) Public Interest Determination – The Commission clarifies that its public interest examination for ETC designations will review many of the same factors for ETC designations in areas served by non-rural and rural incumbent LECs, including the benefits of increased consumer choice and the unique advantages and disadvantages of the competitor’s service offering. In addition, as part of its public interest analysis, the Commission will examine the potential for creamskimming effect in instances where an ETC applicant seeks designation below the study area level of a rural incumbent LEC.

AW has been providing service in Eastern Kentucky for more than 15 years now. During those 15 years, AW has led the way in constructing a wireless network in the areas that it serves. When constructing this network, AW was committed to serving its entire service territory instead of simply electing to serve urban pockets and busy interstate highways and state roads.

AW’s service offerings will be advantageous as evidenced in answers to questions nos. 3, 5, 6, 8, 9, 10, 11, 12 and 13. AW offers to consumers a state of the art wireless network providing them with the kind of features and service that wireless customers have come to expect.

- 15. The application at pages 12 and 13 describes the steps to be taken when a customer requests service and the request cannot be served by existing network facilities. With regard to the fifth step, what mechanisms are in place to provide resold service to customers?**

Currently there are no mechanisms in place to provide resold service to customers, as there are no other carriers in the service territory with similar technology.

Exhibit 1

Appalachian Wireless serves a 20 county area including 18 counties in Southeastern Kentucky and 2 in the state of Virginia. These counties represent the 'local' area. There are 4 rate plans for the local calling area.

<u>Rate</u>	<u>Minutes Included</u>
\$24.99	500
\$39.99	1000
\$49.99	Unlimited
\$69.99	Unlimited, including free toll within the US on local originating calls

Additionally, Appalachian Wireless offers a regional coverage area that includes all the states of Kentucky, West Virginia, Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Florida. Callers using this coverage area can originate and terminate calls within the 8 states listed above with no roaming or toll charges incurred.

<u>Rate</u>	<u>Anytime Minutes</u>	<u>Night & Weekend Minutes</u>
\$19.99	75	500
\$29.99	150	3500
\$39.99	250	5000
\$49.99	400	5000
\$69.99	700	5000
\$99.99	1000	5000
\$129.99	1250	5000
\$149.99	1500	5000
\$199.99	2000	5000
\$15.00	0	- Add On

Nationwide Plans are also offered and include no roaming or toll for originating and terminating calls within the 48 states of the continental United States

<u>Rate</u>	<u>Anytime Minutes</u>	<u>Night & Weekend Minutes</u>
\$37.49	350	UNLIMITED
\$54.99	550	UNLIMITED
\$74.99	900	UNLIMITED

Features

Appalachian Wireless allows Data features using 1XRTT technology. Push-to-Talk feature are available for \$20 on any rate plan.

Exhibit 3

ZIP	CITY/TOWN	COUNTY	TELCO	ACCTs	PHONEs
41604	BEAVER	FLOYD	Coalfields Telephone	51	62
41605	BETSY LAYNE	FLOYD	Coalfields Telephone	98	160
41606	BEVINSVILLE	FLOYD	Coalfields Telephone	73	107
41612	BYPRO	FLOYD	Coalfields Telephone	24	33
41631	GRETHEL	FLOYD	Coalfields Telephone	44	51
41635	HAROLD	FLOYD	Coalfields Telephone	264	409
41642	IVEL	FLOYD	Coalfields Telephone	54	82
41650	MELVIN	FLOYD	Coalfields Telephone	114	145
41659	STANVILLE	FLOYD	Coalfields Telephone	75	145
41660	TEABERRY	FLOYD	Coalfields Telephone	42	53
41663	TRAM	FLOYD	Coalfields Telephone	14	16
41667	WEEKSBERRY	FLOYD	Coalfields Telephone	39	57
41669	WHEELWRIGHT	FLOYD	Coalfields Telephone	79	127
				971	1447

ZIP	CITY/TOWN	COUNTY	TELCO	ACCTs	PHONEs
41124	BLAINE	LAWRENCE	Foothills Telephone	55	72
41159	MARTHA	LAWRENCE	Foothills Telephone	36	57
41160	MAZIE	LAWRENCE	Foothills Telephone	4	6
41180	WEBBVILLE	LAWRENCE	Foothills Telephone	6	7
41201	ADAMS	LAWRENCE	Foothills Telephone	7	8
41204	BOONS CAMP	JOHNSON	Foothills Telephone	52	76
41216	EAST POINT	JOHNSON	Foothills Telephone	87	109
41219	FLATGAP	JOHNSON	Foothills Telephone	229	310
41222	HAGERHILL	JOHNSON	Foothills Telephone	184	282
41226	KEATON	JOHNSON	Foothills Telephone	20	26
41230	LOUISA	LAWRENCE	Foothills Telephone	318	500
41232	E	LAWRENCE	Foothills Telephone	70	107
41234	MEALLY	JOHNSON	Foothills Telephone	55	76
41238	OIL SPRINGS	JOHNSON	Foothills Telephone	149	207
41240	PAINTSVILLE	JOHNSON	Foothills Telephone	697	1066
41254	RIVER	JOHNSON	Foothills Telephone	58	85
41255	SITKA	JOHNSON	Foothills Telephone	80	120
41256	E	JOHNSON	Foothills Telephone	213	353
41257	STAMBAUGH	JOHNSON	Foothills Telephone	44	58
41260	THELMA	JOHNSON	Foothills Telephone	58	81
41263	TUTOR KEY	JOHNSON	Foothills Telephone	33	51
41264	ULYSSES	LAWRENCE	Foothills Telephone	30	41
41265	VAN LEAR	JOHNSON	Foothills Telephone	83	120
41268	LEAR	JOHNSON	Foothills Telephone	27	31
41271	WILLIAMSPORT	JOHNSON	Foothills Telephone	28	39
41274	WITTENSVILLE	JOHNSON	Foothills Telephone	105	141
41422	ELSIE	MAGOFFIN	Foothills Telephone	1	1
41426	FALCON	MAGOFFIN	Foothills Telephone	10	24
41433	GAPVILLE	MAGOFFIN	Foothills Telephone	2	2
41464	ROYALTON	MAGOFFIN	Foothills Telephone	54	73
41465	SALYERSVILLE	MAGOFFIN	Foothills Telephone	865	1288
41632	GUNLOCK	MAGOFFIN	Foothills Telephone	31	43
				3691	5460

Exhibit 3

ZIP	CITY/TOWN	COUNTY	TELCO	ACCTs	PHONES
41149	ISONVILLE	ELLIOTT	Mountain Telephone	47	65
41171	SANDY HOOK	ELLIOTT	Mountain Telephone	119	163
41301	CAMPTON	WOLFE	Mountain Telephone	205	314
41313	BETHANY	WOLFE	Mountain Telephone	2	2
41332	HAZEL GREEN	WOLFE	Mountain Telephone	89	118
41352	MIZE	MORGAN	Mountain Telephone	53	67
41360	PINE RIDGE	WOLFE	Mountain Telephone	12	17
41365	ROGERS	WOLFE	Mountain Telephone	6	8
41408	CANNEL CITY	MORGAN	Mountain Telephone	25	36
41413	CROCKETT	MORGAN	Mountain Telephone	2	2
41421	ELKFORK	MORGAN	Mountain Telephone	1	23
41425	EZEL	MORGAN	Mountain Telephone	112	153
41451	MALONE	MORGAN	Mountain Telephone	6	7
41459	OPHIR	MORGAN	Mountain Telephone	0	0
41472	WEST LIBERTY	MORGAN	Mountain Telephone	813	1232
41477	WRIGLEY	MORGAN	Mountain Telephone	4	5
				1496	2212

ZIP	CITY/TOWN	COUNTY	TELCO	ACCTs	PHONES
40402	ANNVILLE	JACKSON	Peoples Rural Telephone	233	339
40434	GRAY HAWK	JACKSON	Peoples Rural Telephone	53	70
40447	MC KEE	JACKSON	Peoples Rural Telephone	413	600
40481	SANDGAP	JACKSON	Peoples Rural Telephone	48	61
40486	TYNER	JACKSON	Peoples Rural Telephone	182	269
40488	WANETA	JACKSON	Peoples Rural Telephone	2	2
41314	BOONEVILLE	OWSLEY	Peoples Rural Telephone	289	406
41338	ISLAND CITY	OWSLEY	Peoples Rural Telephone	2	2
41344	LEROSE	OWSLEY	Peoples Rural Telephone	1	2
41351	MISTLETOE	OWSLEY	Peoples Rural Telephone	1	1
41364	RICETOWN	OWSLEY	Peoples Rural Telephone	5	5
41386	VINCENT	OWSLEY	Peoples Rural Telephone	9	10
				1238	1767

ZIP	CITY/TOWN	COUNTY	TELCO	ACCTs	PHONES
41640	HUEYSVILLE	FLOYD	Thacker-Grigsby Telephone	107	153
41725	CARRIE	KNOTT	Thacker-Grigsby Telephone	44	87
41739	DWARF	PERRY	Thacker-Grigsby Telephone	29	43
41740	EMMALENA	KNOTT	Thacker-Grigsby Telephone	60	84
41743	FISTY	KNOTT	Thacker-Grigsby Telephone	55	84
41759	SASSAFRAS	KNOTT	Thacker-Grigsby Telephone	40	62
41772	VEST	KNOTT	Thacker-Grigsby Telephone	16	19
41817	GARNER	KNOTT	Thacker-Grigsby Telephone	83	110
41822	HINDMAN	KNOTT	Thacker-Grigsby Telephone	565	1103
41828	KITE	KNOTT	Thacker-Grigsby Telephone	137	207
41831	LEBURN	KNOTT	Thacker-Grigsby Telephone	160	315
41834	LITTCARR	KNOTT	Thacker-Grigsby Telephone	107	159
41836	MALLIE	KNOTT	Thacker-Grigsby Telephone	135	195
41839	MOUSIE	KNOTT	Thacker-Grigsby Telephone	99	145
41843	PINE TOP	KNOTT	Thacker-Grigsby Telephone	150	204
41844	PIPPA PASSES	KNOTT	Thacker-Grigsby Telephone	183	248
41847	REDFOX	KNOTT	Thacker-Grigsby Telephone	66	86
41859	DEMA	KNOTT	Thacker-Grigsby Telephone	43	61
41861	RAVEN	KNOTT	Thacker-Grigsby Telephone	35	56
41862	TOPMOST	KNOTT	Thacker-Grigsby Telephone	137	187
				2251	3608

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	ACCTs	PHONEs
Coalfield Telephone	971	1447
Foothills Telephone	3691	5460
Mountain Telephone	1496	2212
Peoples Rural Telephone	1238	1767
Thacker-Grigsby Telephone	2251	3608
	9647	14494