

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NPCR, INC. D/B/A NEXTEL     )  
PARTNERS TO RELINQUISH ELIGIBLE         )  
TELECOMMUNICATIONS CARRIER            ) Case No. 2011-00273  
DESIGNATION                                 )

O R D E R

On December 16, 2004, the Commission granted the request of NPCR, Inc. d/b/a Nextel Partners (“Nextel Partners”) for designation as an Eligible Telecommunications Carrier (“ETC”).<sup>1</sup> Nextel Partners was authorized to receive low-income support and high-cost support. On July 13, 2011, Nextel Partners petitioned the Commission for withdrawal of its ETC status.

Sprint Nextel Corporation (“Sprint Nextel”), Nextel Partners’ parent company, agreed to reduce its federal high-cost universal service fund (“USF”) support in five equal increments beginning in January 2009.<sup>2</sup> On September 3, 2010, the Federal Communications Commission (“FCC”) released an order providing instructions for

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<sup>1</sup> Case No. 2003-00143, Petition of NPCR, Inc. d/b/a Nextel Partners for Designation as an Eligible Telecommunications Carrier in the State of Kentucky (Ky. PSC Dec. 16, 2004).

<sup>2</sup> Sprint Nextel Corp. and Clearwire Corporation, Applications For Consent to Transfer Control of Licenses, Leases, and Authorizations, WT Docket No. 08-94, 23 FCC Rcd 17570 (2008).

implementing this commitment.<sup>3</sup> Among other things, the Implementation Order specified that Sprint Nextel could meet its high-cost USF phase-out obligation through “line loss, relinquishment of ETC status, or other circumstances....”<sup>4</sup> Sprint Nextel’s actual high-cost USF support for 2009, its high-cost USF support for 2010, and its projected high-cost USF support for the first two quarters of 2011 are below the allowable cap for those timeframes; thus, no further action is required for those years.<sup>5</sup>

In order to meet the phase-out requirement for the second half of 2011 and beyond, however, Sprint Nextel will be required to take additional steps to reduce its high-cost USF receipts. In compliance with the FCC’s Implementation Order, Sprint Nextel has decided to relinquish Nextel Partners’ high-cost ETC designation in Kentucky.<sup>6</sup>

Although Sprint PCS and Nextel Partners will no longer receive federal high-cost or low income USF support in Kentucky after December 31, 2011, the companies plan to continue to provide wireless service in all of Nextel Partners’ designated areas in Kentucky as non-ETCs. Nextel Partners will no longer offer Lifeline or Link-up assistance to customers.

Attached to the petition as Exhibit A was a list, by wire center, of the incumbent local exchange carrier ETCs providing service in Nextel Partners’ designated areas in

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<sup>3</sup> In the Matter of High-Cost Universal Service Support, WC Docket No. 05-337, Federal-State Joint Board on Universal Service, Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC, CC Docket No. 96-45, Order released Sept. 3, 2010 (FCC 10-155) (“Implementation Order”).

<sup>4</sup> Id. at n. 39.

<sup>5</sup> Application at p. 2.

<sup>6</sup> Id.

Kentucky. Following relinquishment of Nextel Partners' ETC designation, there will continue to be at least one ETC in each of the study areas identified in these attachments. To the best of Sprint Nextel's knowledge, none of the remaining ETCs will be required to purchase or construct additional facilities to continue providing service within the study areas set forth in Exhibit A.<sup>7</sup> Because other ETCs currently serve the entire areas in which Nextel Partners is designated an ETC in Kentucky, notice need not be provided to those carriers to permit them to purchase or construct facilities to ensure that Nextel Partners' customers will continue to receive service.

Nextel Partners will provide written notice by U.S. mail to each of their then-current Lifeline customers in Kentucky advising that they will no longer provide service discounts as ETCs. The notices will inform these customers that the monthly Lifeline credit will be discontinued within 45 days. Nextel Partners will offer each of these customers the option of continuing to receive the same service from the companies, or selecting an alternative calling plan. The notices will further inform each customer that Lifeline discounted service may be obtained from one of the remaining ETCs in the area. If a Lifeline customer decides to leave Nextel Partners, an early termination fee will not be charged. After December 31, 2011, Nextel Partners will not activate any new Lifeline subscribers in Kentucky.<sup>8</sup>

47 USC § 214 (e)(4) states in part:

The state commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications

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<sup>7</sup> Id. at p. 4.

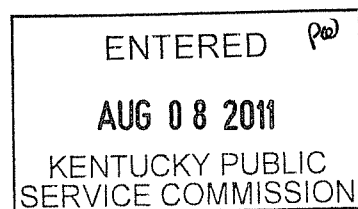
<sup>8</sup> Id.

carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the State commission approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

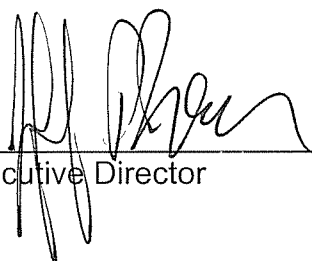
The Commission finds that, pursuant to USC 47 214(e)(4) above, there is more than one ETC in the area of relinquishment and those carriers have sufficient facilities for the provision of service.

The Commission being sufficiently advised, IT IS HEREBY ORDERED that Nextel Partners' request to withdraw as an ETC is granted. This case is now closed and removed from the Commission's docket.

By the Commission



ATTEST:

  
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