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September 7, 2006

**VIA E-MAIL AND U.S. MAIL**

Public Utility Commission of Oregon  
Attn: Filing Center  
550 Capitol St NE #215  
Salem, OR 97308-2148

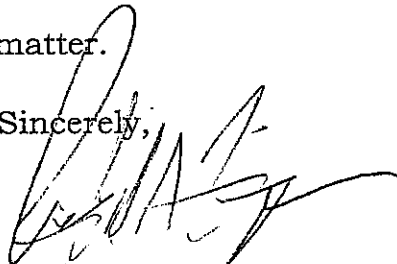
Re: Docket No. UM 1237; Substitute Application of Eagle Telephone System, Inc., d/b/a Snake River PCS For Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996

Dear Sir/Madam:

Enclosed you will find the original Substitute Application of Eagle Telephone System, Inc., d/b/a Snake River PCS for Designation as an Eligible Telecommunications Carrier and Certificate of Service.

Thank you for your attention to this matter.

Sincerely,



RICHARD A. FINNIGAN

RAF/km  
Enclosure

cc: Mike Lattin (via e-mail)  
Kay Marinos (via e-mail)

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

SUBSTITUTE APPLICATION OF EAGLE  
TELEPHONE SYSTEM, INC., D/B/A SNAKE  
RIVER PCS FOR DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER  
PURSUANT TO THE TELECOMMUNICATIONS  
ACT OF 1996

UM 1237

Eagle Telephone System, Inc., d/b/a Snake River PCS (“Snake River”) respectfully submits this Substitute Application for Designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Sections 214(e)(1) and (2) of the Communications Act of 1934, as amended (“Act”), and Section 54.201 of the Federal Communications Commission’s (“FCC”) rules.<sup>1</sup> This Substitute Application (“Application”) substitutes for and replaces that certain Application for Designation as an Eligible Telecommunications Carrier submitted December 7, 2005. Snake River requests that it be designated as eligible to receive all available support from the federal Universal Service Fund (“USF”) including, but not limited to, interstate common line support and interstate access support for high cost areas and support for low income customers in the geographic areas specified in this Application.

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<sup>1</sup> 47 U.S.C. § 214(e)(1) and (2); 47 C.F.R. § 54.201.

## I. APPLICANT

Snake River is a Commercial Mobile Radio Service (“CMRS”) carrier providing “mobile service” as defined in 47 U.S.C. § 153(27). Snake River provides interstate telecommunications services as defined in 47 U.S.C. § 254(d) and 47 C.F.R. § 54.703(a).

Snake River is licensed to serve Baker, Union and Wallowa Counties in Oregon.

## II. STATEMENT OF FACTS/STANDARDS FOR APPLICATION

### A. Eligibility and Identification of the Service Area.

1. Under Sections 214(e) and 254 of the Act, the Public Utility Commission of Oregon (“OPUC” or “Commission”) is authorized to designate Snake River as an ETC. Section 214(e)(2) of the Act provides that state commissions have the primary responsibility for designation of ETCs.

2. In its First Report and Order implementing Sections 214(e) and 254, the FCC designated the specific features a carrier must provide or agree to provide to be designated as an ETC.<sup>2</sup> The FCC also recognized that wireless telecommunications providers are eligible to be designated as ETCs.<sup>3</sup>

3. Snake River is a telecommunications carrier as defined in 47 U.S.C. § 153(44) and 47 C.F.R. § 51.5(a), and is a telecommunications carrier for the purposes of Part 54 of the FCC’s rules. Snake River is, therefore, considered a common carrier under the Act.

4. Section 214(e)(2) of the Act provides that ETC designations shall be made for a “service area” designated by the state commission. Section 214(e)(5) of the Act provides that the “service area” shall be a geographic area established by the state commission. In areas served by a rural telephone company, the FCC’s rules generally define a competitive ETC’s “service area” to mean the LEC study area.<sup>4</sup> The FCC has stated the ETC designation area should be no smaller than a rural company’s wire center. Accordingly, Snake River seeks authority to serve

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<sup>2</sup> Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, 8809-25 (1997) (“First Report and Order”).

<sup>3</sup> Id., at 8858-59.

<sup>4</sup> See, 47 C.F.R. § 54.207(b).

the following wire centers: Richland, Halfway, Oxbow, Granite, Baker, Haines, Medical Springs, Huntington, Durkee, North Powder, Cove, Union, LaGrande, Imbler and Elgin, which are collectively referred to as "ILEC wire centers."

5. As a PCS provider, Snake River's licensed area is the Counties of Baker, Union and Wallowa. Since the licensed service area consists of entire counties, a map of each county has not been included. A copy of the exchange maps of the ILEC wire centers are included as Exhibit A. In addition, attached as Exhibit B, is a list of the ILEC wire centers in the proposed service area with the following information: ILEC name, wire center name, wire center CLLI code and whether the wire center will be fully or partially included in the ETC's proposed designated service area.

6. Snake River considered whether this Application should cover all of Snake River's licensed area. Snake River did not feel comfortable that it would be able to fulfill all of the obligations of an ETC in all of its licensed area in the near term. Therefore, this Application includes only those areas where Snake River believes it can fully meet the obligations of an ETC. This means that Snake River has not asked that the Verizon wire centers of Enterprise, Joseph, Wallowa and Lostine be included or Asotin's wire center of Flora-Troy.

**B. The Standards for Granting ETC Status.**

Pursuant to the Commission's Order No. 06-292 issued in Docket No. UM 1217 (the "Oregon ETC Order"), in order to obtain ETC designation, an applicant must demonstrate the following:

1. The applicant's common carrier status;
2. The commitment and ability to provide all supported services;
3. The commitment and ability to provide supported services throughout the designated service area;
4. The types of facilities used to offer supported services;
5. The commitment to use support funds only for the intended purposes;
6. The commitment to advertise supported services throughout the service area;

7. The commitment to offer and advertise Lifeline, Link Up and OTAP services;
8. The ability to remain functional in emergencies;
9. The commitment to meet service quality and consumer protection standards;
10. That the application is in the public interest.

### **III. THE APPLICATION MEETS THE COMMISSION'S STANDARDS ADOPTED IN THE OREGON ETC ORDER**

#### **A. Common Carrier Status:**

1. As set forth in Paragraph II.A.3, above, Snake River is a common carrier.
2. Snake River offers PCS service as a wireless carrier in the areas of Baker and Union Counties in the State of Oregon. Snake River also is in the process of providing advanced services, such as wireless DSL.

#### **B. Commitment and Ability to Provide All Supported Services:**

1. In order to be designated an ETC, a common carrier must demonstrate that it offers the supported services.
2. Snake River offers the federally designated services listed at 47 C.F.R. § 54.101(a): (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equivalent; (4) single-party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying

low-income consumers.<sup>5</sup> Snake River is a full service wireless carrier that offers all of these services. Therefore, Snake River satisfies the requirements of Section 254(c) of the Act.

a. Voice-grade access to the public switched telephone network. 47 C.F.R. § 54.101(a)(1) requires voice grade access to the public switched telephone network. The FCC concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 2700 Megahertz within the 300 to 3000 Megahertz frequency range.<sup>6</sup> Snake River provides voice grade access to the public switched telephone network through interconnection arrangements with local telephone companies and arrangements with interexchange carriers for traffic. Snake River offers its subscribers this service at a bandwidth between 1850 and 1990 Megahertz, thereby providing voice grade access pursuant to the FCC's definition.

b. Local usage. Snake River's rate plans provide local usage consistent with 47 C.F.R § 54.101(a)(2). Snake River's local rate plans are described in more detail in Section III.B.4. and 5., below.

c. Dual-tone, multi-frequency signaling or its functional equivalent. Pursuant to 47 C.F.R. § 54.101(a)(3), an ETC must provide dual tone multi-frequency ("DTMF") signaling to facilitate the transportation of signaling throughout its network. Snake River provides DTMF signaling consistent with the FCC's rules.

d. Single-party service or its functional equivalent. "Single-party service" means that only one party will be served by a subscriber loop or access line in contrast to a

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<sup>5</sup> 47 C.F.R. § 54.101(a).

<sup>6</sup> First Report and Order, at 8810-11.

multi-party line.<sup>7</sup> Snake River provides single party service, as required by 47 C.F.R. § 54.101(a)(4).

e. Access to emergency services. The ability to reach a public emergency service provider by dialing 911 is a required service in any universal service offering. Snake River currently provides all of its customers with access to emergency service by dialing 911. Phase I E911, which includes the capability of providing both automatic numbering information (“ANI”) and automatic location information (“ALI”), is only required if a public emergency service provider makes arrangements with the local provider for the delivery of such information.<sup>8</sup> To date, Snake River has received no requests for Phase I or Phase II E911 from any Public Safety Answering Points (“PSAPs”) in Oregon. Snake River has the capability of providing both Phase I and Phase II.

f. Access to operator services. Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call.<sup>9</sup> Snake River provides customer access to operator services in compliance with 47 C.F.R. § 54.101(a)(6).

g. Access to interexchange service. An ETC must offer consumers access to interexchange service to make and receive toll or interexchange calls. Snake River meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through interconnection arrangements the company has with several IXCs.

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<sup>7</sup> Id. at 8810.

<sup>8</sup> Id. at 8815-17.

<sup>9</sup> Id. at 8817-18.

h. Access to directory assistance. The ability to place a call to directory assistance is a required ETC service offering.<sup>10</sup> Snake River's customers are able to dial "411" or "555-1212" to reach directory assistance from their mobile phones.

i. Toll limitation for qualifying low income consumers. An ETC must offer either "toll control" or "toll blocking" services to qualifying Lifeline customers at no charge. In particular, an ETC must provide toll blocking which allows customers to block the completion of outgoing toll calls.<sup>11</sup> Snake River currently has no Lifeline customers because only carriers designated as an ETC can participate in Lifeline.<sup>12</sup> Once designated as an ETC, Snake River will participate in Lifeline, as required, and will provide toll blocking capability in satisfaction of the FCC's requirement. Snake River has the technological capacity for toll blocking today. In fact, in some (limited) instances Snake River has instituted toll blocking at a customer's request. In the wireless world, toll blocking refers to blocking calls outside of a particular plan's calling area.

3. There are no required supported services that are not currently offered, with the exception of toll limitation, which was described above.

4. Listed below are each of Snake River's service offerings that will qualify for federal universal service support:

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<sup>10</sup> Id. at 8821.

<sup>11</sup> First Report and Order at 8821-22.

<sup>12</sup> See, 47 C.F.R. § 54.400-415.



<u>Name of+ the Plan</u>	<u>Number of Included Minutes</u>	<u>Included Calling Area</u>	<u>Roaming** Included</u>	<u>Price</u>
Personal Plan	1000 weekday daytime; unlimited nights and weekends	Baker, Union and Wallowa Counties	200 minutes	\$39.95*
Business Plan	3000 weekday daytime minutes (shared up to 3 handsets); unlimited nights and weekends	Baker, Union and Wallowa Counties	1500 minutes	\$99.95*

\*Overage rate \$0.20 per minute and \$0.10 per minute for long distance.

\*\*Roaming fees apply for out of area calling while traveling. Second line is \$9.95.

+Each plan has a two year minimum term.

5. The Oregon ETC Order contains a requirement that there should be a demonstration that the applicant offers a local usage plan that is comparable to the basic local service offerings of the ILEC in the proposed designated service area. As examples of ETC applicants whose rate plans would be comparable to the local ILEC, the FCC ETC Order specifically mentions ETC applicants that offer “a local calling plan that has a different calling area than the local exchange area provided by the ILECs in the same region,” “an unlimited calling plan that bundles local minutes with long distance minutes” and plans that “provide unlimited free calls to government, social service, health facilities, educational institutions and emergency numbers.”<sup>13</sup>

Snake River’s rate plans are comparable to the rate plans offered by the local ILEC in the service area for which Snake River seeks designation for all of the above reasons. Although Snake River’s rates are higher than the ILEC’s local calling rate, Snake River will provide a wider local calling area. The relevant ILEC local calling areas are generally limited to their local

<sup>13</sup> Federal –State Joint Board on Universal Service, 20 FCC Rcd 6371 (2005), at ¶33 (“FCC ETC Order”).

exchange boundaries and, at most provide limited extended area service.<sup>14</sup> Snake River provides unlimited, toll-free service for 911 emergency calls and for 611 customer care. Snake River also provides toll-free 511 road reports to the Oregon Department of Transportation and 711 calls to TRS/TTY operators and will, within the next year, also provide 211 calls to social service agencies. Exhibit C contains a comparison of the prices and scope of the ILEC basic local service offerings to the universal service offerings of Snake River.

Snake River's proposed universal service plans have rates that compare favorably to the wireline rates. Plans that include three thousand minutes should satisfy local calling needs.

6. Snake River hereby acknowledges that it may be required to provide equal access if it is the only remaining ETC in the area.

C. Commitment and Ability to Provide Supported Services Throughout the Designated Service Area:

1. As noted earlier, maps showing Snake River's existing service capabilities overlaid over the boundaries of the ILEC wire center are attached as Exhibit A. Also attached as Exhibit B is a list of ILEC wire centers that sets out the ILEC name, wire center name, wire center CLLI code and whether the wire center will be fully or partially included in Snake River's proposed designed service area.

2. Snake River commits to offer the supported service throughout the proposed service area. In addition, Snake River will use the following six-point checklist in answering requests from residents within its proposed ETC area, but outside its existing network coverage: (1) determine whether the customer's equipment can be modified or replaced to provide acceptable service; (2) determine whether a roof-mounted antenna or other network equipment can be deployed at the premises to provide service; (3) determine whether adjustments at the

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<sup>14</sup> Some of the ILEC wire centers do not have any extended area service.

nearest cell site can be made to provide service; (4) determine whether there are any other adjustments to network or customer facilities that can be made to provide service; (5) explore the possibility of offering resold service; and (6) determine whether an additional cell site, a cell-extender, or repeater can be employed or constructed to provide service. If there is no possibility of providing service, Snake River will notify the customer and provide Commission with an annual report of how many requests for service it could not fill.

D. Types of Facilities Used to Offer Supported Services:

1. Snake River has the following network facilities:

- Mobile Switching Center located at Roosevelt, Utah
  - Nortel DMS 100 switches with fully redundant fault tolerant processors
  - 12 hours of back up battery
  - 300 KW generator with 7 days fuel supply
  - Complete complement of spare circuit boards
  - Self-Healing Alternate Route Protection Service for Fiber Facilities interconnection
  - Multiple alternate trunk routes for PSTN interconnection trunks
  - Redundant Microwave radio links
  - Automated 7x24 network monitoring
- Cell sites in the following locations: Richland Hill, Randall, Baker City (Byron site), Gover, Saunders, Oxbow, Brownlee
  - Overlapping cell site coverage with directed retry for blocked calls.
  - Back haul network consisting of T-1 to each cell site with redundant capacity engineered with surplus back bone capacity. Field technicians are equipped with growth radio stock. In the event of a capacity spike that can not be absorbed by directed retry additional radios can be installed quickly.
  - All major hub sites have 8 hours battery back up and standby generators.
  - 95% of sites have minimum of 8 hours back up battery, remaining 5% have 1 hour.
  - All sites have quick connect plugs for portable generator. All field technicians are equipped with 20 kw trailer mounted generators.
  - All sites remotely monitored 7x24.

- Additional equipment
  - Complete inventory of alternate access equipment. All field staff are equipped with 4 wheel drive pickups and snow mobiles are available. All field staff trained in operation for all alternative site access equipment.
  - Tower crews on standby for emergency tower and antenna repairs
  - Technicians are equipped with complete complement of spares for Cell site, Microwave and DACs equipment to insure quick recovery.
  - Field technicians strategically located with average drive time of less than 1 hour to cell sites.

2. The maps in Exhibit A which depict network coverage show the extent of current network coverage. The maps are designed to show a coverage area of a nine mile radius from each cell site in the designated service area. This radius is chosen because within the nine mile radius good signal strength can be provided which is sufficient to allow voice grade service so long as there is a line-of-sight from the cell tower. Service can be provided outside of the nine mile radius, but it is subject to lower quality and more frequent loss of signal. Snake River's plans to expand network coverage are detailed in Exhibit F.

3. Snake River has no formal interconnection agreements in place, except with Eagle Telephone (ARB 658). It has working relationships for the transport and termination of traffic with Pine, Verizon and Qwest for "local" traffic and arrangements with various interexchange carriers for the delivery of traffic outside of Snake River's service area.

E. Commitment to Use Support Funds Only for Intended Purposes:

1. Attached as Exhibit D is the Affidavit signed by the responsible corporate officer certifying that fund support received pursuant to 47 C.F.R. Part 54, Subpart D, and Part 36, Subpart F, will be used only for the intended purposes.

2. Attached as Exhibit E is a Certification required by the FCC pursuant to 47 C.F.R. Subpart 54.904 to receive Interstate Common Line Support.

3. Attached as Exhibit F is a formal network improvement plan demonstrating how Snake River will use support funds covering each of the first two years of designation. The plan demonstrates in detail how federal USF support will be used for service improvements that would not occur absent receipt of such support.

4. Also included in Exhibit F is an overview plan for years three through five consisting of descriptions of how Snake River plans to expand or improve services during the period of time three to five years from the date of designation.

F. Advertising Availability of Supported Services:

1. Pursuant to Section 54.201 of the FCC's rules, 47 C.F.R. § 54.201, and the Oregon ETC Order, Snake River plans to advertise the availability of each of the supported services detailed above, throughout its designated service area, by media of general distribution. The methods of advertising utilized may include newspaper, magazine, radio, direct mailings, public exhibits and displays, bill inserts, and telephone directory advertising. This information is currently advertised by Snake River in its service area. Copies of advertising are attached as Exhibit G.

G. Commitment to Offer an Advertised Lifeline, Link Up and OTAP Services:

1. Snake River commits to offer and advertise Lifeline, Link Up and OTAP services.
2. The customer subscribing through Lifeline and Link Up will be able to choose any of the plans offered by Snake River.
3. Snake River will distribute literature offering Lifeline and Link Up services to senior services, hospitals, clinics, hospices, senior centers, welfare offices and other locations where those likely to be eligible for the programs would encounter the brochures.

H. Ability to Remain Functional in Emergency Situations:

1. Consistent with the Oregon ETC Order, Snake River also has the ability to remain functional in emergency situations. The required certification is attached as Exhibit H. Snake River has designed a fault tolerant network that employs the following features:

- Mobile Switching Center
  - Nortel DMS 100 switches with fully redundant fault tolerant processors
  - 12 hours of back up battery
  - 300 KW generator with 7 days fuel supply
  - Complete complement of spare circuit boards
  - Self-Healing Alternate Route Protection Service for Fiber Facilities interconnection
  - Multiple alternate trunk routes for PSTN interconnection trunks
  - Redundant Microwave radio links
  - Automated 7x24 network monitoring
  
- Cell sites
  - Overlapping cell site coverage with directed retry for blocked calls.
  - Back haul network engineered with surplus back bone capacity. Field technicians are equipped with growth radio stock. In the event of a capacity spike that can not be absorbed by directed retry additional radios can be installed quickly.
  - All major hub sites have 8 hours battery back up and standby generators.
  - 95% of sites have minimum of 8 hours back up battery, remaining 5% have 1 hour.
  - All sites have quick connect plugs for portable generator. All field technicians are equipped with 20 kw trailer mounted generators.
  - All sites remotely monitored 7x24.
  
- Additional equipment
  - Complete inventory of alternate access equipment. All field staff are equipped with 4 wheel drive pickups and snow mobiles are available. All field staff trained in operation for all alternative site access equipment.
  - Tower crews on standby for emergency tower and antenna repairs
  - Technicians are equipped with complete complement of spares for Cell site, Microwave and DACs equipment to insure quick recovery.
  - Field technicians strategically located with average drive time of less than 1 hour to cell sites.

2. As noted in Paragraph III.H.1., above, Snake River does have alternative routes from its mobile switching center. In addition, as noted above, Snake River has overlapping cell site coverage as a form of redundancy for some areas for routing of traffic around a cell site if one cell site is no longer functional.

3. Snake River's cell sites are designed with sufficient capacity to handle traffic spikes during emergency periods. Snake River uses redundant T-1s from several cell sites and is planning on increasing the availability of redundant capacity to be able to ensure functionality in emergencies.

4. Snake River's wireless network is fully capable of deploying E-911 and has that service available throughout its network.

I. Commitment to Service Quality and Consumer Protection:

1. Snake River will abide by the consumer protection standards established by the CTIA Consumer Code. The required certification is contained in Exhibit H.

2. Snake River commits to resolve complaints received by the Commission. The appropriate person to work with the Commission's Consumer Services Division for complaint resolution is: Mike Lattin who can be reached at (541) 893-6115 or through e-mail at eagle@pinetel.com.

J. Public Interest Factors:

1. Designation of Snake River as an ETC is in the public interest because such designation will promote competition and thereby facilitate the provision of advanced communications services and higher quality services to the residents of rural Oregon. Snake River will provide wider local calling areas, mobile communications, a variety of service

offerings, high-quality service, and competitive rates. Consumers will be able to choose those service features that best meet their needs.

2. As Snake River improves cell sites in high-cost areas to improve the quality of its signal, its customers will have a greater choice among service providers and will receive more reliable service. Some will have the option to receive Snake River's service for the first time. Others will see service quality and reliability improvement. The company has every incentive to meet its commitment because use of such funds in this manner will improve its competitive position in the marketplace. In addition, the company has every incentive to maintain or improve reliability and to lower its prices over time because it can only receive high-cost support when it has a customer.

3. Designation of Snake River will advance important health and safety goals. Snake River's mobile offering will allow rural consumers the flexibility to communicate while on the go and still retain access to emergency services. In addition to being able to reach emergency services while in their homes, wireless subscribers are able to reach emergency services while they are in route to their homes, workplaces, and commercial centers. In designating U.S. Cellular Corporation as an ETC in the State of Oregon, the Commission concluded that "the 'unique advantages' of wireless telephones, which allow mobile communications beneficial to safety, health, and commerce, weigh in favor of the application."<sup>15</sup> Designation of Snake River as an ETC in Oregon will provide similar benefits.

4. The provision of USF funding to Snake River will enable it to improve signal strength, thereby improving the reliability of service for health and safety purposes. All wireless

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<sup>15</sup> In the Matter of the Application of US Cellular Corporation for Designation as an Eligible Telecommunications Carrier, Pursuant to the Telecommunications Act of 1996, Order No. 04-356, Docket UM 1084 (June 24, 2004) ("USCC ETC Order").



carriers are required to implement over the next several years Phase II E-911 service, which permits a caller to be located and tracked. For every cell site Snake River constructs, the reliability and performance of its E-911 service will improve.

5. Designation of Snake River as an ETC is consistent with ETC decisions across the country, including the decisions of the OPUC.<sup>16</sup> This Commission recently concluded that designating wireless carriers as ETCs in ILEC territories in Oregon, including rural ILECs, is in the public interest.<sup>17</sup> In coming to this conclusion, the Commission stated:

Ultimately, each of the [public interest] factors discussed above are calculated in a cost-benefit analysis. OTA cites the cost-benefit analysis of Virginia Cellular at ¶4, which weighs competitive choice, impact of designation on the USF, the advantages and disadvantages of the service offering, quality of service commitments, and the applicant's ability to provide the supported services throughout the designated service area within a reasonable amount of time. As we have discussed, USCC's application would bring competition, spurring innovation; provide advantages through increased mobile wireless offerings; and offer the supported services to customers who request service in the designated area. We acknowledge the costs of the application – a growing burden on the USF and no service quality guarantees – but believe that to the extent that those factors are an issue, they are more than outweighed by the benefits of granting the application. Therefore, we find that USCC's application for designation as an ETC in its designated area is in the public interest.<sup>18</sup>

As in the case of the USCC and RCC applications, the public interest benefits of designating Snake River as an ETC far outweigh any costs associated with doing so.

6. Over the next two years Snake River plans to expand service into rural areas with limited coverage today. Snake River also plans on working to cover the Snake River Corridor,<sup>19</sup> which will provide safety benefits to people vacationing in the area. The plans are detailed on Exhibit F.

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<sup>16</sup> See, USCC ETC Order; see also, In the Matter of the Application of RCC Minnesota, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996, Order No. 04-355, Docket UM 1083 (June 24, 2004) ("RCC ETC Order").

<sup>17</sup> See, RCC ETC Order at 16; see also, USCC ETC Order at 15.

<sup>18</sup> USCC ETC Order at 13; see also, RCC ETC Order at 13.

<sup>19</sup> The Snake River Corridor refers to the portion of the Snake River from Huntington through Hell's Canyon.

7. In addition to the foregoing, Snake River is in the process of deploying wireless DSL in its service area. While federal USF funds will not be used directly to provide wireless DSL, such as the equipment used to provide the service itself, the network expansion that will be allowed by the receipt of federal USF funds will form the backbone for the deployment of wireless DSL. The advancement of broadband services in very rural areas is consistent with public interest.

8. For all of the above reasons, the public interest would be served by the designation of Snake River as a competitive ETC throughout its requested service area.

K. Creamskimming Analysis:

1. In two recent ETC designation orders,<sup>20</sup> the FCC has addressed concerns relating to perceived cream-skimming in rural areas. According to the FCC, cream-skimming occurs when competitors seek to serve only the low-cost, high revenue customers in a rural telephone company's study area. The Commission applied the Virginia Cellular/Highland Cellular cream-skimming analysis in its recent wireless ETC designation decisions.<sup>21</sup> The Commission confirmed in the Oregon ETC Order that, for the time being, it will continue to apply a creamskimming analysis for rural areas.

2. Snake River will serve all of Eagle Telephone's wire center, which is the Richland exchange. Snake River will serve all of the Oxbow and Halfway wire centers in the Halfway exchange. Snake River will serve all of the Granite exchange. See discussion in Section L, below.

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<sup>20</sup> In re Federal-State Joint Board on Universal Service, Virginia Cellular, LLC, Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, 19 FCC Rcd 1563 (2004) ("Virginia Cellular"); In re Federal-State Joint Board on Universal Service, Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, 19 FCC Rcd 6422 (2004) ("Highland Cellular").

<sup>21</sup> USCC ETC Order at 10-12; RCC ETC Order at 11-12.

3. Snake River will serve the Baker City wire center which includes both the Baker and Sumpter exchanges. The Baker and Sumpter exchanges are Qwest Corporation (“Qwest”) exchanges. While Snake River has not done a formal density analysis of the Qwest exchanges, it is obvious that these exchanges are far less dense than the populous Qwest serving areas on the west side of the State of Oregon, such as Portland, Corvallis, Salem, and Eugene. No creamskimming issues are raised by Snake River’s proposed designation as an ETC within the Baker City wire center.

4. Snake River is proposing that it receive ETC designation for the LaGrande, Cove, Union, Imbler and Elgin exchanges of Verizon Northwest Incorporated (“Verizon”). Again, Snake River has not done a formal density analysis. However, it should be clear that these five exchanges are far less dense than the average exchange served by Verizon when consideration is given to the fact that Verizon serves the populous, and more densely populated exchanges of Beaverton, Hillsboro, Tigard, Sherwood, Forest Grove, Yamhill and McMinnville.

5. Snake River is proposing to serve the CenturyTel exchanges of North Powder, Huntington and Durkee as an ETC. Based on evidence in UM 1084, that the Commission relied on to find there was no creamskimming by US Cellular in CenturyTel’s area, the Durkee, Huntington and North Powder exchanges are among CenturyTel’s least dense areas. See, OTA/25, Weinman/12-13. Thus, no creamskimming issue is presented.

6. Snake River is proposing designation as an ETC for the Haines and Medical Springs wire centers served by Cascade Utilities, Inc. (“Cascade”). Cascade serves a number of exchanges spread throughout the State of Oregon. The Medical Springs exchange is relatively less dense when compared to other exchanges served by Cascade. The Haines exchange is not Cascade’s most dense exchange. Based on the analysis provided in UM 1084 (see, OTA/15), the

Commission found no creamskimming for US Cellular's service to the Haines and Medical Springs wire centers. Therefore, no creamskimming issue is presented.

L. Development of Service:

1.

2. In some of the areas that Snake River proposes to be included in its ETC designated service area, Snake River has good coverage as of this date. These include the Richland, Halfway and Oxbow wire centers. In other areas, coverage is more sporadic. Snake River's network investment plan set out in Exhibit F provides more detail as to how service will be expanded in these areas.

3. Service in the Granite area of the Granite exchange deserves more specific discussion than is contained in Exhibit F. The Granite area is outside of Snake River's current PCS licensed area. However, Snake River intends to find a way to serve the Granite area. This is an area that has no wireless coverage today. There are at least four ways in which Snake River can meet its service obligations in the Granite area.<sup>22</sup> The first way that Snake River can proceed

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<sup>22</sup> As used herein, the term "Granite area" refers to the area around the town of Granite that is inside the Granite exchange. The Stices Gulch portion of the Granite exchange is separated by some distance from the remainder of the Granite exchange.

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is to partition an existing license so that the area falls within Snake River's licensed area. The partition process is discussed below. The second method would be to serve the area using unlicensed spectrum. The third method would be to enter into a resale agreement with a wireless carrier once a wireless carrier begins service in the Granite area. A fourth method, which is the least desirable but which is recognized by FCC rule as a permissible means of satisfying the ETC obligation, would be to resell the underlying incumbent's service. Under this last alternative, resale could possibly be combined with wireless service to the extent that the customer worked or spent significant amounts of time in areas outside of the Granite area, such as Baker City.

4. The partitioning process is recognized by FCC rule. See, 47 C.F.R. §22.948 (cellular), 47 C.F.R. § 24.104 (narrow band PCS) and 47 C.F.R. §21.714 (Broadband PCS).

Under this process, the holder of a PCS license may sell a portion of its license to another provider. Snake River has approached \_\_\_\_\_ in pursuit of a partitioning arrangement.

\_\_\_\_\_ and the license spectrum would be sufficient to provide service in the Granite area. If the license is partitioned, the area would fall within Snake River's licensed PCS area. In order to partition a license, the two parties must enter into an agreement. Then, approval is sought from the FCC. PCS licenses have been successfully partitioned in the past.

5. Unlicensed spectrum could also be used to serve the Granite area. Unlicensed spectrum is being increasingly used to provide wireless services. It is often used for a WIFI application. Existing technology allows the use of unlicensed spectrum to provide voice and data services. One of the largest issues related to use of unlicensed spectrum is interference with other users of such spectrum, in particular public safety and health authorities. Given the

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remoteness of the Granite region, there is very little likelihood of signal interference with existing users.

6. Snake River has reviewed the infrastructure related to the Granite area. There is sufficient capacity for back haul services which can be ordered out of tariff from Pine Telephone Systems, Inc.

7. Snake River is always diligent in the pursuit of ability to share facilities. This will not change upon Snake River's designation as an ETC. If there are opportunities to share facilities with other ETCs or other wireless carriers that are not ETCs, Snake River commits to diligently pursue those opportunities.

#### **IV. ANNUAL CERTIFICATION**

In addition to the above public interest test, Snake River also agrees that on or before July 15 of each year beginning in 2007, Snake River will file all reports as part of the annual recertification process as required by the Commission in the Oregon ETC Order

#### **V. CONCLUSION**

Under 47 C.F.R. §§ 54.313 and 54.314, carriers wishing to obtain high-cost support must, in most cases, be certified by the appropriate state commission. Snake River respectfully requests that the OPUC designate Snake River as ETC for the service area described herein. Further, Snake River respectfully requests the Commission issue a finding that Snake River has met the high-cost certification requirement and that Snake River is, therefore, entitled to begin

receiving high-cost support as of the date it receives a grant of ETC status.

Respectfully submitted this 1 day of September, 2006.


  
\_\_\_\_\_  
Michael L. Lattin  
Assistant Manager  
Eagle Telephone System, Inc., d/b/a  
Snake River PCS

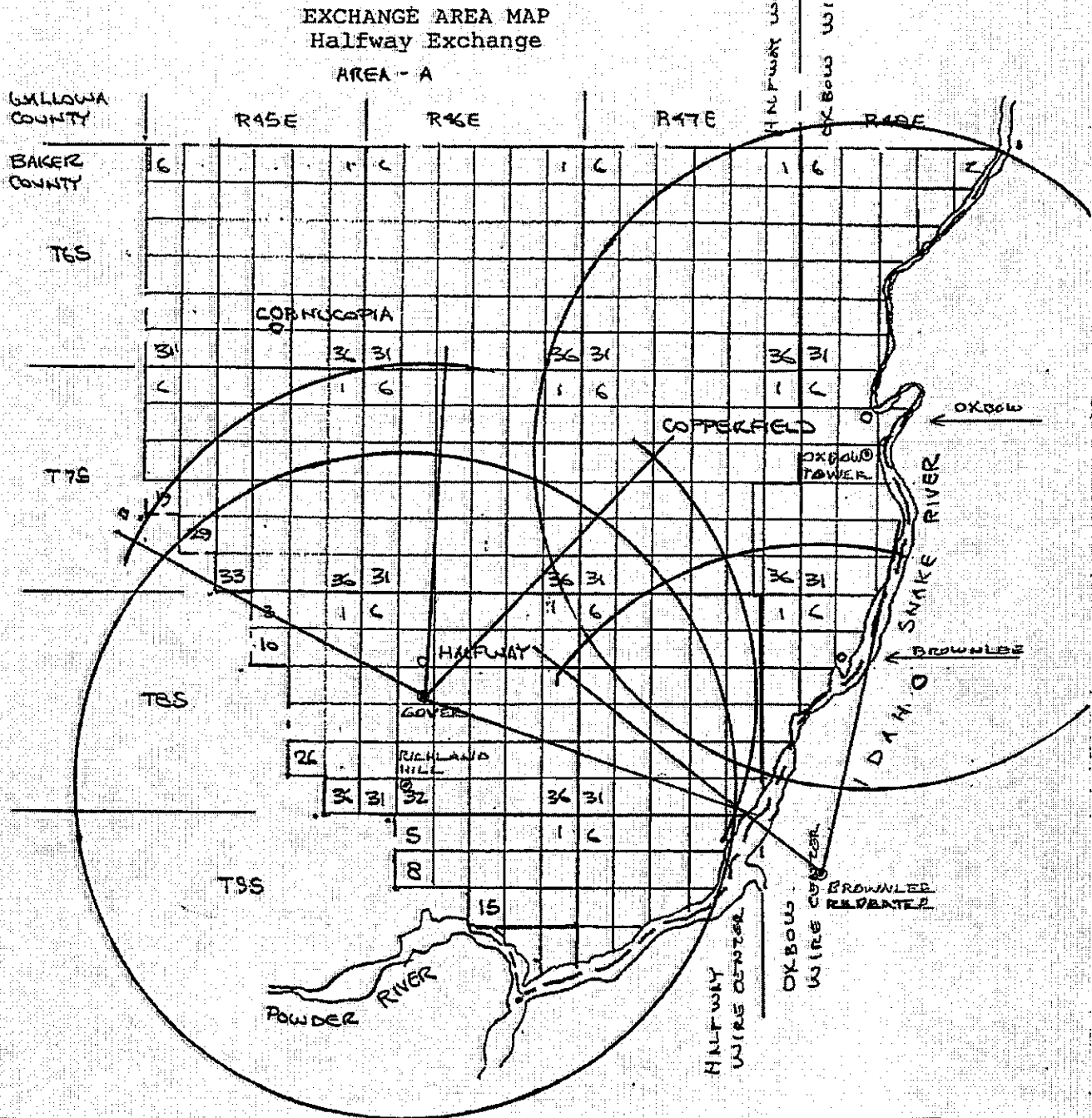
EXHIBIT A

PUC Or. No. 2

First Revised Sheet No. 71

Pine Telephone System, Inc.

FOR RECP.  
STAMP



ADVISE NO. 4 PURSUANT TO ORDER # 92-1563, DOCKET UA 46

ISSUED August 1, 1992 EFFECTIVE September 1, 1992

ISSUED BY G. Rodney Hull

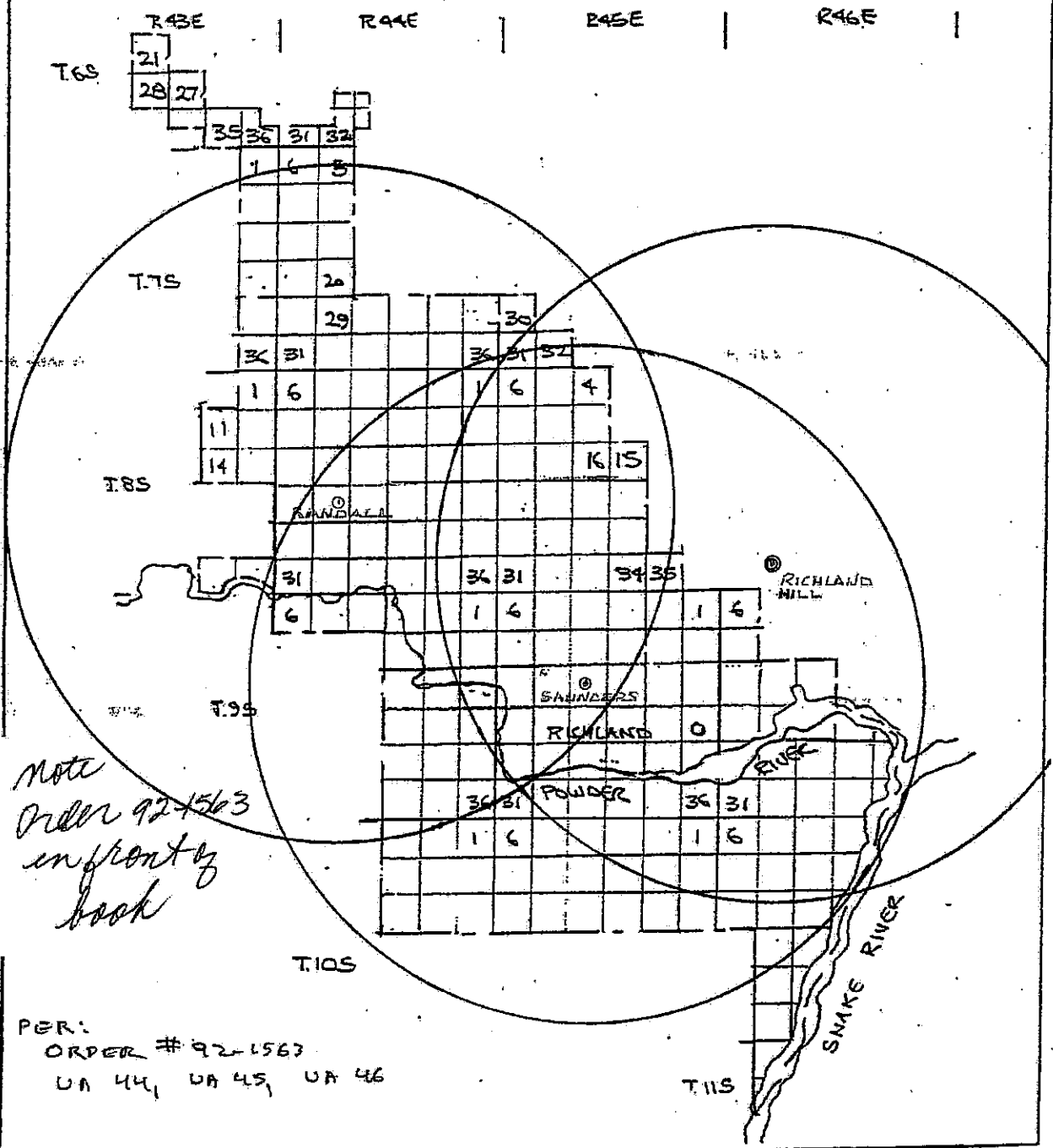
TITLE President



P. U. C. Or. No.

Eagle Telephone System, Inc.

EXCHANGE AREA MAP  
Richland Exchange



Advice No. 5

ISSUED August 1, 1992

EFFECTIVE September 1, 1992

ISSUED BY Eagle Telephone Systems, Inc.

*David E. Little*

President



**EXHIBIT B**

<u>Wire Center</u> <u>Name</u>	<u>CLLI</u>	<u>Serving ILEC</u>	<u>Service</u>
Richland	RCLDOR	Eagle Telephone System, Inc. (SAC 532369)	All
Granite	GRANOR	Pine Telephone System, Inc. (SAC 532392)	All
Halfway	HLWYOR	Pine Telephone System, Inc. (SAC 532392)	All
Oxbow	OXBWOR	Pine Telephone System, Inc. (SAC 532392)	All
Baker City	BAKROR	Qwest Corporation (SAC 535163)	All
Elgin	ELGNOR	Verizon Northwest Inc. (SAC 532416)	All
Imbler	IMBLOR	Verizon Northwest Inc. (SAC 532416)	All
LaGrande	LGROR	Verizon Northwest Inc. (SAC 532416)	All
Cove	COVEOR	Verizon Northwest Inc. (SAC 532416)	All
Union	UNINOR	Verizon Northwest Inc. (SAC 532416)	All
Haynes	HANSOR	Cascade Utilities, Inc. (SAC 532371)	All
Medical Lake	MDSPOR	Cascade Utilities, Inc. (SAC 532371)	All
Huntington	HNTNOR	CenturyTel of Eastern Oregon Inc. (SAC 532361)	All
Durkee	DURKOR	CenturyTel of Eastern Oregon Inc. (SAC 532361)	All
North Powder	NPWROR	CenturyTel of Eastern Oregon, Inc. (SAC 532361)	All

### EXHIBIT C

<u>Company</u>	<u>Residential Rate*</u>	<u>Business Rate*</u>	<u>Calling Area</u>
Cascade	\$20.00	\$33.00	Limited EAS
CenturyTel	\$17.48	\$27.78	Durkee-Baker; Huntington-Ontario; North Powder-Baker
Eagle	\$16.95	\$11.60	No EAS
Pine	\$10.00	\$15.00	No EAS
Qwest	\$12.80	\$26.00	Baker City includes Durkee, Haines, Hereford-Unity, Medical Springs, North Powder and Sumpter. Sumpter includes Baker City.
Verizon	\$13.78-14.78	\$20.90-35.13	Varies by exchange – generally very limited
Snake River	\$39.95	\$99.95	All of Baker, Union and Wallowa Counties

\*Does not include SLC, surcharges and taxes. For example, for Eagle Telephone, the rate the residential customer actually pays is \$20.85.

**EXHIBIT D**


**AFFIDAVIT CERTIFYING USE OF UNIVERSAL SERVICE FUNDS**

I, Mike Lattin, being of lawful age and duly sworn, on my oath, state that I am the President and Manager of Eagle Telephone System, Inc. ("Company") and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true to the best of my knowledge, information and belief.

Pursuant to the rules of the Federal Communications Commission, 47 C.F.R. § 54.314, there must be annual certification that funds received under the federal Universal Service Fund programs will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. The Company hereby certifies to the Public Utility Commission of Oregon that pursuant to 47 C.F.R. § 54.7, and for purposes of the certification required under 47 C.F.R. § 54.314, the Company will use all federal high-cost support provided to it only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with the principles of universal service set forth in 47 U.S.C. 254. This includes, but is not limited to, trying to meet the goal of the provision of services that are properly supported by the high-cost funds at rates that are reasonably comparable to rates charged for similar services in urban areas.

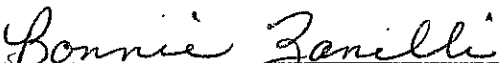
DATED this 1 day of September, 2006.

Eagle Telephone System, Inc.

By:   
Mike Lattin

Its: President and Manager

SUBSCRIBED AND SWORN to before me this 1 day of September, 2006.

  
Notary public in and for the State of Oregon, Baker County

My Commission Expires: June 1, 2008

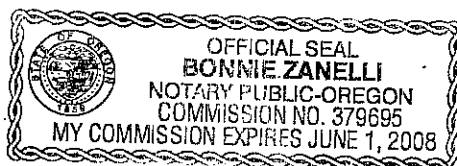


EXHIBIT E  
**Interstate Common Line Support (ICLS)**  
**2006 - 2007**

Date 1 Sept. 06

ICLS

To: Marlene H. Dortch  
 Office of Secretary  
 Federal Communications Commission  
 445 - 12th Street, SW  
 Washington, DC 20554

Karen Majcher  
 Vice President - High Cost and Low Income Division  
 Universal Service Administrative Company  
 2000 L Street, NW, Suite 200  
 Washington, DC 20036

Re: CC Docket No. 96-45  
**Interstate Common Line Support - ICLS**  
 Annual Certification Filing

This is to certify that Eagle Telephone System, Inc., d/b/a Snake River PCS  
 will use its **INTERSTATE COMMON LINE SUPPORT - ICLS** only for the provision, maintenance  
 and upgrading of facilities and services for which the support is intended.

I am authorized to make this certification on behalf of the company named above. This certification is for the  
 study area(s) listed below. (Please enter your Company Name, State and Study Area Code)

**ICLS**

Company Name	State	Study Area Code
Eagle Telephone System, Inc., d/b/a	Oregon	53-2369 EC Code
Snake River PCS		2369

(If necessary, attach a separate list of additional study areas and check this box.)

Signed,

  
 [Signature of Authorized Representative]

Date: 9-1-06

Michael L. Lattin  
 [Printed Name of Authorized Representative]

Assistant Manager  
 [Title of Authorized Representative]

Carrier's Name: **Eagle Telephone System, Inc.**  
 Carrier's Address: **109 Main, Richland, OR 97870**  
 Carrier's Telephone Number: **(541) 893-6111**

**Date Received**  
 (For official use only)

**EXHIBIT F**  
(Two Year Plan)

Snake River has recently embarked on a substantial investment program. In the past year, a new cell site was installed at Oxbow, Oregon. This new cell site substantially increased the coverage of Snake River's service in the area where Pine Telephone is the ILEC. The installation of the Oxbow cell site provided a real community service recently. The recent fires in the Snake River area were centered around the Oxbow area. In fact, the fire came within ten feet of the Oxbow cell site. The Oxbow cell site was the main means by which communications among fire fighters and with base camps occurred. While power to the cell site was burned out, backup facilities allowed the cell site to stay in service for sixteen hours without power. The Oxbow cell site played a major roll in assisting the fire fighting efforts by providing a reliable communications network.

In addition, Snake River installed a new repeater with greater power at the Brownlee site. The new repeater increased coverage by approximately ten percent. The Brownlee site is also in the area where Pine Telephone is the ILEC. The signal strength was substantially improved leading to fewer dropped calls. Snake River also increased the height of the Randall Tower. The increase in height improved signal coverage by at least ten percent. The cell site is located in an outlying portion of the Richland wire center and substantially improved service quality in that area. This substantial investment that has been made by Snake River had been expected to be covered, in part, by universal service support funds. However, the delay in processing the application required Snake River to use other funds, substantially depleting Snake River's resources.

**I. YEAR ONE**

- A. Install Backup Generator at Richland Hill (Richland and Halfway Wire Centers). Existing facilities include has 14 hour, backup battery supply. A generator will supply an additional 2 weeks of backup power in an emergency. Installation of a generator will not serve additional customers, but will make the service more reliable for all customers. The Richland wire center is served by Eagle as the CLEC. The Halfway wire center is served by Pine as the ILEC. With the harsh winters of northeast Oregon, reliability is a key safety and public health issue.

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Generator	\$10,000
Labor	\$3,000
Electrical	\$2,500
Misc. Parts	\$1,250
Initial Fuel	\$300
Total Direct Costs	\$17,050
Overhead @ 15%	<u>\$2,558</u>
	\$19,608

2) Recurring Charges (Monthly)

Item	Cost
Fuel Resupply	\$50
Insurance	\$100
Total Direct Costs	\$150
Overhead @ 15%	<u>\$30</u>
	\$180 x 12 = \$2,160

- B. Upgrade Technology. Upgrade the technology to migrate from minicell to metrocell technology at the Richland Hill, Randall, Baker City and LaGrande cell sites. This improvement in technology will expand coverage areas by approximately thirty-five mile coverage instead of twenty-six mile radius of the minicells. The strength of the signal will improve so that coverage is available on the interior of buildings. Under the minicell technology, many times the service strength is not available on the inside of a building. Conversion to the metrocell technology will also allow additional technology features such as “push-to-talk” and text messaging.

The actual costs for this project are not completely calculated. The metrocells are expected to be in the range of \$80,000 a piece. Installation costs are expected to be in the range of \$20,000 per site. This produces a capital cost of approximately \$400,000. It is not expected that the change from minicell to metrocell technology will have a great change in operating costs. The plan is to convert Richland Hill, Baker City and LaGrande in year one and Randall in year two.

The company had previously tried to serve LaGrande. However, service to LaGrande failed in the past. It is expected with the assistance of new equipment, service can be provided successfully. The site that will be used to provide service is known as the Borrow Tower. The tower is located in such an area that it will also enable the company to provide at least limited service into Embler, Elgin, and Cove. Between this tower and the tower to serve Medical Springs, service, at least on a limited basis, can be provided into Union.

These improvements affect service in the Baker, LaGrande, Halfway and Richland ILEC wire centers. The Baker wire center is served by Qwest. The LaGrande wire center is served by Verizon. The Halfway wire center is served by Pine. The Richland wire center is served by Eagle. It should be noted that service in LaGrande will be aided by the existence of a facility that Snake River has the right to access. Snake River had previously tried to provide service in LaGrande, but found it too costly to continue. ETC support will allow expansion of service that Snake River would not otherwise provide based on real life experience. The improvements will allow service to up to potentially 10,000 new customers and improve service to all existing customers.



C. Purchase Snow Cat. Snake River will purchase a Tucker Snow Cat. A snow cat is needed during the harsh winters of northeast Oregon to be able to access cell sites in a safe and efficient manner to provide maintenance and do repairs. The cost of the snow cat is estimated to be \$100,000. Based on the number of structures that may need service through the use of the snow cat, twenty-five percent of the cost will be paid by the landline operations of Eagle Telephone Systems, Inc. This investment affects service in all ILEC wire centers where Snake River has facilities. All customers benefit by this investment.

D. Improve Back Haul Capacity. Install additional T-1 to each cell site. The installation of an additional T-1 to each cell site will provide improved reliability for general operations and for emergency situations by providing redundant capacity. It will also allow the installation and activation of advanced services by providing additional capacity needed for those services. This includes, but is not limited to, wireless DSL. Snake River does want to note that the actual provision of wireless DSL services will be undertaken with funds other than federal universal service support funds. The cell sites involved are LaGrande, Richland Hill, Randall (also known as Sparta), Saunders, Oxbow, Brownlee, Gover and Baker City. These improvements affect service in all ILEC wire centers where Snake River has facilities.

- 1) Installation Costs: \$40,000
- 2) Monthly Recurring Cost: \$20,000

E. Collocate a Cell Site at Stices Gulch (Granite Wire Center). This project will serve approximately twenty-five new customers, plus expand the reach of Snake River's network for the traveling public. Service will be through repeater technology and assumes the ability to collocate on an existing tower.

- 1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Repeater with back up power (batteries)	\$30,000
Labor	\$10,000
Total Direct Costs	\$40,000
Overhead @ 15%	<u>\$6,000</u>
	\$46,000

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$1,200
Electrical	\$100
Insurance	\$100
Total Direct Costs	\$1,400
Overhead @ 15%	<u>\$345</u>
	\$1,745 x 12 = \$20,940

F. Install Minicell at Saunders Site. Use of a minicell will improve service quality and increase coverage in Eagle Telephone's service area (Richland wire center) by about ten percent. This project would move the minicell from the Richland Hill site when that site is upgraded to a metrocell, thus avoiding the cost of purchasing new equipment. The site is currently underpowered and would need at least a new, larger repeater. Use of the minicell substantially improves the quality of service.

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Installation, labor, miscellaneous equipment, upgraded electrical	\$28,000
Overhead @ 15%	<u>\$4,200</u>
	\$32,200

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

G. Install Minicell at Gover Site. Use of a minicell will improve quality and increase service penetration in the Halfway wire center by about ten percent. This project would move the minicell from the Richland Hill site when that site is upgraded to a metrocell, thus avoiding the cost of purchasing new equipment. The site is currently underpowered and would need at least a new, larger repeater. Use of the minicell substantially improves the quality of service.

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Installation, labor, miscellaneous equipment, upgraded electrical	\$28,000
Overhead @ 15%	<u>\$4,200</u>
	\$32,200

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

H. Install New Technology Repeater at Brashler Site. Install minicell which will improve quality and increase service penetration in the Richland wire center and highway coverage. This site currently is a repeater that covers a small portion of the highway between Richland and Halfway. This project would move the minicell from the Richland Hill site when that site is upgraded to a metrocell, thus avoiding the cost of purchasing new equipment. The site is currently underpowered and would need at least a new, larger repeater. Use of the minicell substantially improves the quality of service.

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

**II. YEAR TWO**

A. Upgrade Randall Site from Single Sector to Tri-Sector Antenna. This project will be undertaken in order to improve signal coverage, particularly in outlying portions of Snake River's extremely rural service area. This will increase coverage in the Richland wire center by about thirty percent.

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Antenna	\$42,000
Electrical	\$2,500
Misc. Parts	\$1,500
Labor	\$10,000
Total Direct Costs	\$56,000
Overhead @ 15%	<u>\$8,400</u>
	\$64,400

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

B. Randall Site Technology Upgrade. See discussion of upgrade to metrocell technology under I.B., above.

C. Replace Equipment Building at Randall Site with Larger Structure. This improvement is needed to accommodate the other improvements at the Randall site noted above.

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Building	\$45,000
Materials	\$3,500
Electrical Utilities Installation	\$3,500
Labor	\$3,500
Total Direct Costs	\$55,500
Overhead @ 15%	<u>\$8,250</u>
	\$63,750

D. Install Cell Site to Serve Durkee Exchange. A new site to provide service into the Durkee wire center served by Centurytel would be constructed. The costs below assume collocation on an existing tower. Because of the distance, two repeaters will be needed. Use of repeaters avoids need to purchase backhaul T-1 from CenturyTel and associated recurring costs. It will make wireless service available to approximately 100 to 150 customers. In addition, installation of this site will substantially improve service to the traveling public. The project has the following expected components:

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Purchase and Installation of Antenna and Electrical with Two Repeaters	\$75,000
Misc. Parts	\$1,500
Labor	\$10,000
Total Direct Costs	\$86,500
Overhead @ 15%	<u>\$12,975</u>
	\$99,475

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$1,000
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$1,150
Overhead @ 15%	<u>\$173</u>
	\$1,323 x 12 = \$15,876

E. Install Cell Site to Serve Huntington Exchange. A new site to provide service into the Huntington exchange served by CenturyTel would be constructed. It will make wireless service available to approximately 100 to 150 customers. The project has the following expected components:

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Construct Tower	\$75,000
Antenna	\$15,000
Electrical	\$2,500
Misc. Parts	\$1,500
Back Up Power	\$5,000
Labor	\$10,000
Back Haul Facilities	\$1,000
Total Direct Costs	\$110,000
Overhead @ 15%	<u>\$16,500</u>
	\$126,500

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$500
Electrical	\$50
Telecommunications (Back Haul)	\$1,000
Insurance	\$100
Total Direct Costs	\$1,650
Overhead @ 15%	<u>\$248</u>
	\$1,898 x 12 = \$22,776

F. Install Cell Site to Serve North Powder and Haines Exchanges. A new site to provide service into the North Powder wire center served by CenturyTel and the Haines exchange served by Cascade Utilities would be constructed. It will make wireless service available to approximately 400 customers. It will also substantially improve service to the traveling public. This project assumes the ability to collocate on an existing tower. The plan is to install a tri-sector minicell. The backhaul will be provided by radio, thus avoiding high recurring costs for landline T-1. It has the following expected components:

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Antenna	\$100,000
Electrical	\$2,500
Misc. Parts	\$1,500
Labor	\$20,000
Back up generator	\$10,000
Back Haul Facilities (radio)	\$10,000
Total Direct Costs	\$144,000
Overhead @ 15%	<u>\$21,600</u>
	\$165,600

2) Recurring Charges (Monthly)

<b>Item</b>	<b>Cost</b>
Rent	\$1,200
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$1,350
Overhead @ 15%	<u>\$203</u>
	\$1,553 x 12 = \$18,636

G. Install Cell Site to Serve Medical Lake Exchange. A new site to provide service to the Medical Lake wire center served by Cascade Utilities would be constructed. It will make wireless service available to approximately 300 customers. It will also substantially improve service to the traveling public. This project assumes the ability to locate on an existing tower. The plan is to install a tri-sector minicell. The backhaul will be provided by radio, thus avoiding high recurring costs for a landline T-1. It has the following expected components:

1) Equipment/Site Development

<b>Item</b>	<b>Cost</b>
Antenna	\$100,000
Electrical	\$2,500
Misc. Parts	\$1,500
Labor	\$20,000
Back up generator	\$10,000
Back Haul Facilities (radio)	\$10,000
Total Direct Costs	\$144,000
Overhead @ 15%	<u>\$21,600</u>
	\$165,600

2) Recurring Charges (Monthly)

Item	Cost
Rent	\$1,200
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$1,350
Overhead @ 15%	<u>\$203</u>
	\$1,553 x 12
	= \$18,636

- H. Begin Development of Service to Granite. Do work for development of a cell site in the Granite area. This would include use of outside consultants for location of cell site, development of preliminary engineering and permitting work.

Estimated cost for preliminary work is \$25,000.

OPERATING EXPENSES

Additional Employees –	1 full time field technician	\$75,000/year
	1 full time bookkeeper/ customer service representative	\$50,000/year
Additional ETC advertising (including Lifeline/OTAP)		\$2,000/year
Additional Outside Accounting		\$6,000/year

In order to provide the level of service that Snake River believes wireless customers deserve, the management of Snake River firmly believes that two additional employees need to be added. One would be a full-time field technician whose responsibilities would be to assist existing personnel in ensuring that service is reliable and operating. Part of this person's responsibility would be to do the analysis of the six point checklist in answering requests for service within the proposed ETC area. See paragraph III.C.2. of the Substitute Application. This is necessary in order for Snake River to meet its commitment to provide service throughout the designated ETC area. This person will also be responsible for meeting with local emergency officials to determine ways to improve emergency responses. This will include meetings to prepare for the planned expansion in years three through five into the Snake River corridor and Hell's Canyon areas. See the discussion below. The expansion of service into these areas will bring much needed public safety benefits by allowing the traveling public greater access to 911 services.

As part of this process, the field technician will be responsible for investigating ways in which the traveling public can be made aware of the 911 service through Snake River PCS. This would include possible placements of advertising, working with emergency officials and other preliminary work. In addition, the field technician will need to investigate the viability of "off-



the-shelf' and other types of prepaid wireless services that a traveler could purchase at a low rate to use while vacationing in the Snake River area. There is a great deal of preparatory work that needs to be done to implement this concept.

The addition of a full-time bookkeeper/customer service person is necessary. Snake River views the responsibility associated with the receipt of USF funds very seriously. The bookkeeper will be responsible for ensuring that Snake River is in compliance with its responsibilities for use of those funds. This person will also need to fill customer service functions in being able to explain wireless Lifeline services and conducting outreach programs for wireless Lifeline customers. This customer service person will also need to be able to respond to questions about the basic universal service program and how that may compare to other plans offered by Snake River. Providing quality customer service and ensuring that financial accounting is meeting all requirements are important universal service related functions.

Snake River estimates that the hard costs (i.e., not including employee costs) associated with additional ETC advertising, including Lifeline outreach programs will be approximately \$2,000 per year.

Snake River believes that the importance of correct financial accounting, the preparation of the annual report for the Commission and other functions related to ETC issues will increase outside accounting costs approximately \$6,000 per year. These costs would be significantly higher without the addition of the full-time bookkeeper/customer service representative.

EXPENDITURE CHART

		<u>Year 1</u>	<u>Year 2</u>
Year 1	Capital	\$557,208	N/A
Projects	Operating	\$190,320	\$190,320
Year 2	Capital	N/A	\$646,575
Projects	Operating	N/A	\$80,064
Total		\$747,528	\$916,959

## ESTIMATED SUPPORT

<b>Customer Count</b>	<b>Support per line per month*</b>	<b>Estimated Monthly Support</b>	<b>Estimated Annual Support</b>
Richard Wire Center - 178	\$96.70	\$17,213	\$206,551
Pine Wire Centers - 335	\$162.26	\$54,357	\$652,285
Baker Wire Center - 98	0	0	0
			\$858,836

\*Calculated from USAC reports HC 01 and HC 05 for Third Quarter, 2006.

## OTHER SUPPORTING INFORMATION/CONSTRUCTION SCHEDULE

In the Oregon ETC Order, at Appendix A, Section 5.3.1.3, certain detailed information for each project is required. The information sought under 5.3.1.3.1 and 5.3.1.3.6 has been included in the above descriptions. The amount of support money allocated to the project is set forth in the body of the Two Year Plan, above. This is the information sought under Section 5.3.1.3.3. In this section, the other requested information is provided as well as a construction schedule.

The company has very limited funds available to it from its current operations. The company serves approximately 600 wireless customers today. Thus, its operating revenue is relatively low. That sum of money covers current operating costs and provides some level of money to repay loans for past investments. Therefore, the company has very little of its own funds that it can devote to the construction of these projects. However, company personnel would be involved in negotiating contracts, overseeing the projects and hands-on work involved in the projects. The dollar amount of this work cannot be precisely quantified.

Given the company's existing small scope of operation, it is unlikely that very many (if any) of these projects could be undertaken without the availability of support funding.

The estimated construction schedule is set forth below. The construction schedule assumes ETC status will be granted in time for Snake River to begin receiving funds in the fourth quarter of 2006. Thus, for purposes of this schedule, Year One runs from October 1, 2006 through September 30, 2007. And, Year Two runs from October 1, 2007 through September 30, 2008.

## CONSTRUCTION SCHEDULE<sup>1</sup>

<u>Project</u>	<u>Start Date</u>	<u>Completion Date</u>
Install backup generator at Richland Hill	First quarter 2007	First quarter 2007
Upgrade technology – Richland Hill	First quarter 2007	First quarter 2007
Upgrade technology – Baker City	Second quarter 2007	Second quarter 2007
Install technology – LaGrande	Second quarter 2007	Second quarter 2007
Upgrade technology – Randall	Fourth quarter 2007	Fourth quarter 2007
Purchase snow cat	Fourth quarter 2006	Fourth quarter 2006
Improve back haul capacity – several cell sites	Second quarter 2007	Third quarter 2007
New cell site – Stices Gulch	Second quarter 2007	Third quarter 2007
New technology – Saunders site	Third quarter 2007	Third quarter 2007
New technology – Grover site	Third quarter 2007	Fourth quarter 2007
New technology – Brashler site	Third quarter 2007	Fourth quarter 2007
Upgrade Randall site to tri-sector antenna	Second quarter 2008	Second quarter 2008
Replace equipment building	First quarter 2008	Second quarter 2008
New cell site – Durkee	Second quarter 2008	Third quarter 2008

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<sup>1</sup> Construction opportunities during winter months are limited. The best opportunities exist in and around Richland.

<u>Project</u>	<u>Start Date</u>	<u>Completion Date</u>
New cell site – Huntington	Second quarter 2008	Third quarter 2008
New cell site – North Powder/Haines	Second quarter 2008	Third quarter 2008

### III. YEARS THREE THROUGH FIVE

The Oregon ETC Order requests a conceptual description of the applicant’s plans for years three through five. Snake River has a number of projects in the planning stage that would fit into years three through five. The first of these projects would be to put service into operation in the Granite exchange. Extending wireless service would provide customers in the Granite exchange with the option for wireless service and would provide the traveling public with the ability to access emergency services.

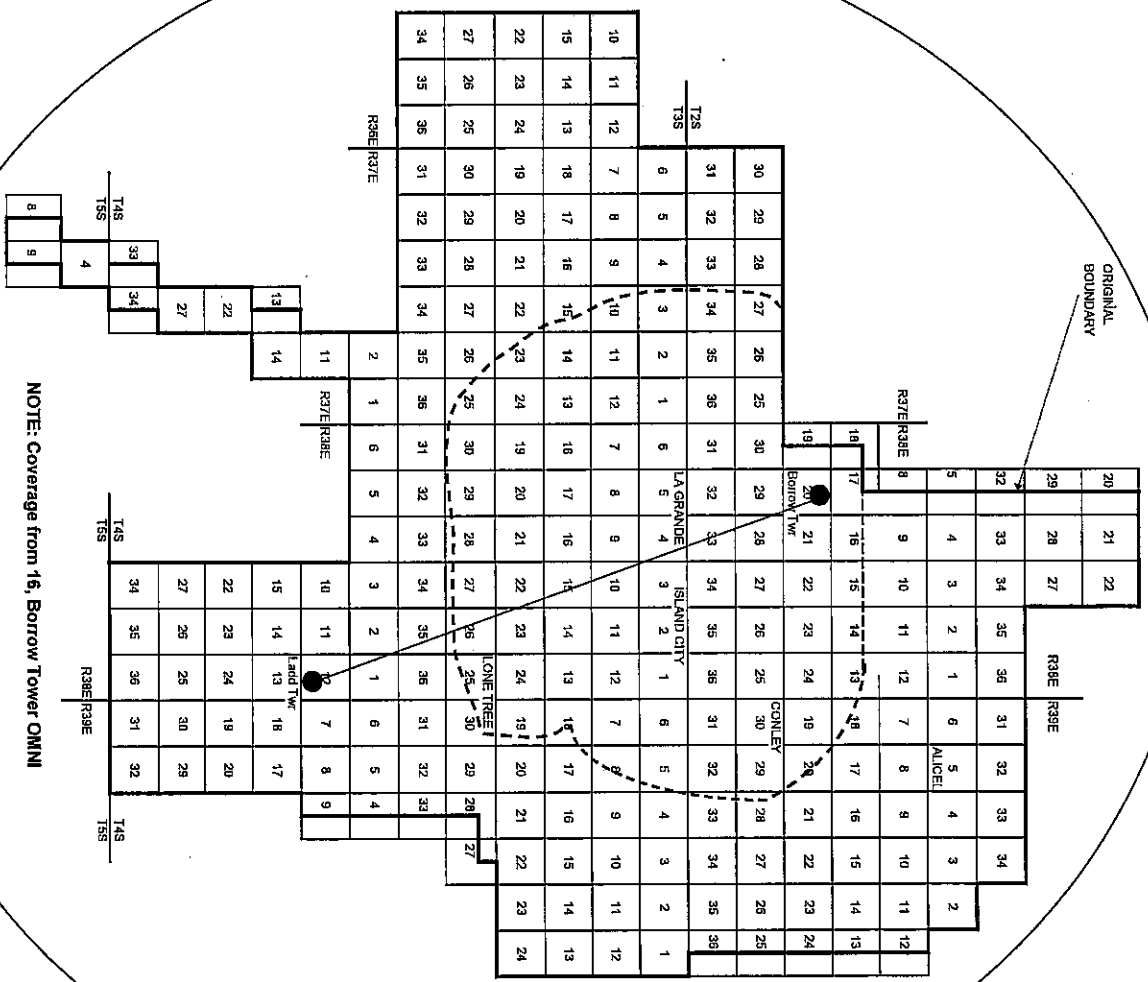
The priority for year three would be installing facilities to expand service in the Union, Cove, Embler and Elgin wire centers. As noted in the plan, at least limited service can be provided through the facilities constructed to serve LaGrande and Medical Springs. It is anticipated that additional facilities will be needed to bring service in these areas to commercially acceptable levels. The company has an inactive site known as the Ladd site. Activation of this site will provide service to Union and Cove and increase the quality of service in LaGrande.

Another project that would be undertaken in years three through five, with some of the planning of the project actually taking place in the first two years, is to expand service in Hell’s Canyon. The company is in the process of working with Idaho Power today to plan the extension of service to reach Idaho Power Properties in the Hell’s Canyon region. This is “Area B” of the Halfway exchange (Oxbow wire center).

Also during the same time period, Snake River will explore providing additional services throughout the Snake River corridor.<sup>2</sup> The Snake River corridor is one that experiences a great deal of summer tourist traffic. Right now there is one payphone and no apparent wireless service. Snake River would look to extend service into the Snake River corridor to satisfy the needs of the traveling public and also, most importantly, for emergency access purposes. It should be noted that not even satellite phones work very well in the Snake River corridor. Some of the planning for this project will occur in years one and two. This years fires underscore the public safety importance of this project.

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<sup>2</sup> The Snake River corridor extends from Huntington to the Hell’s Canyon dam.

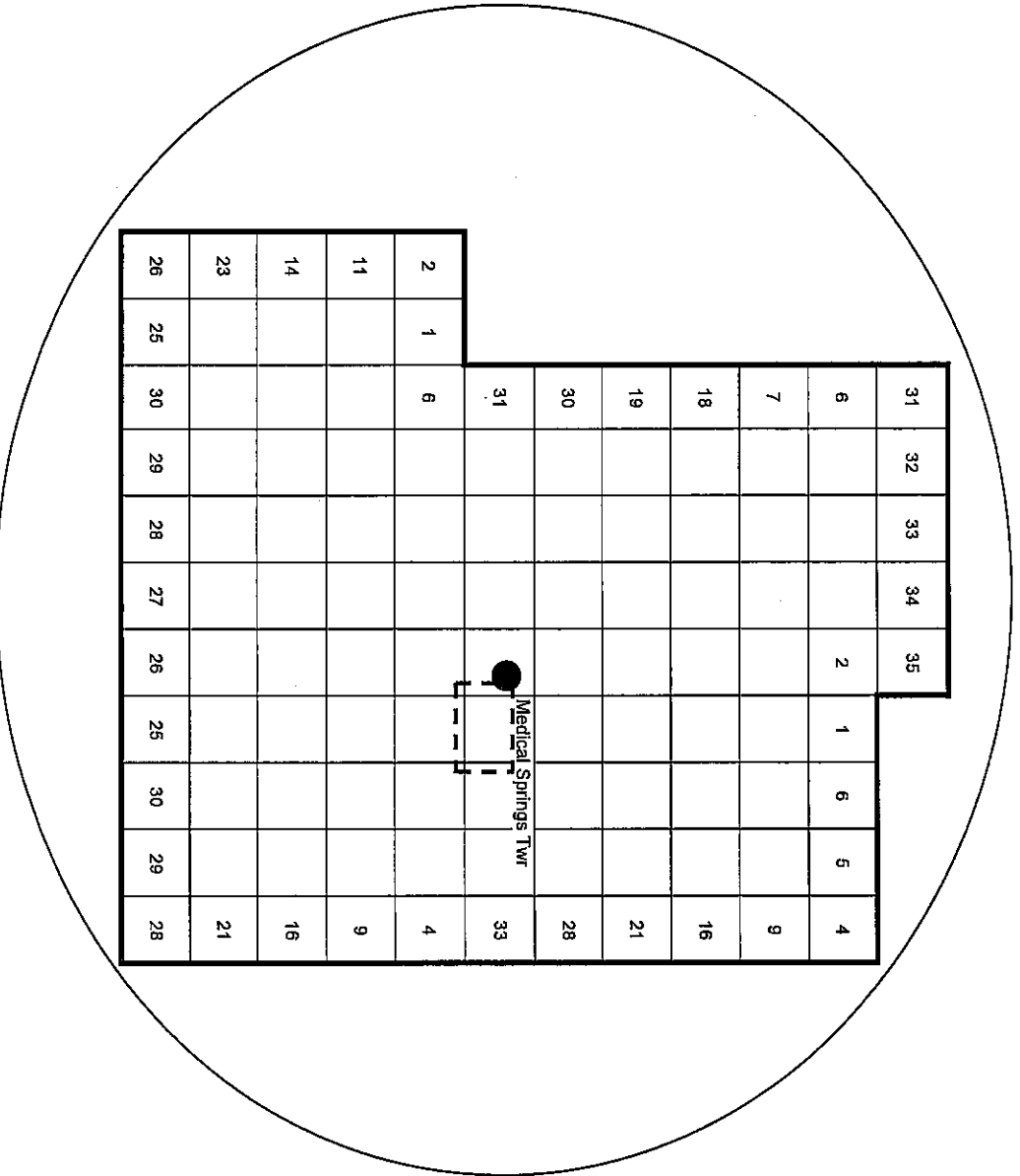


NOTE: Coverage from 16, Borrow Tower OMNI

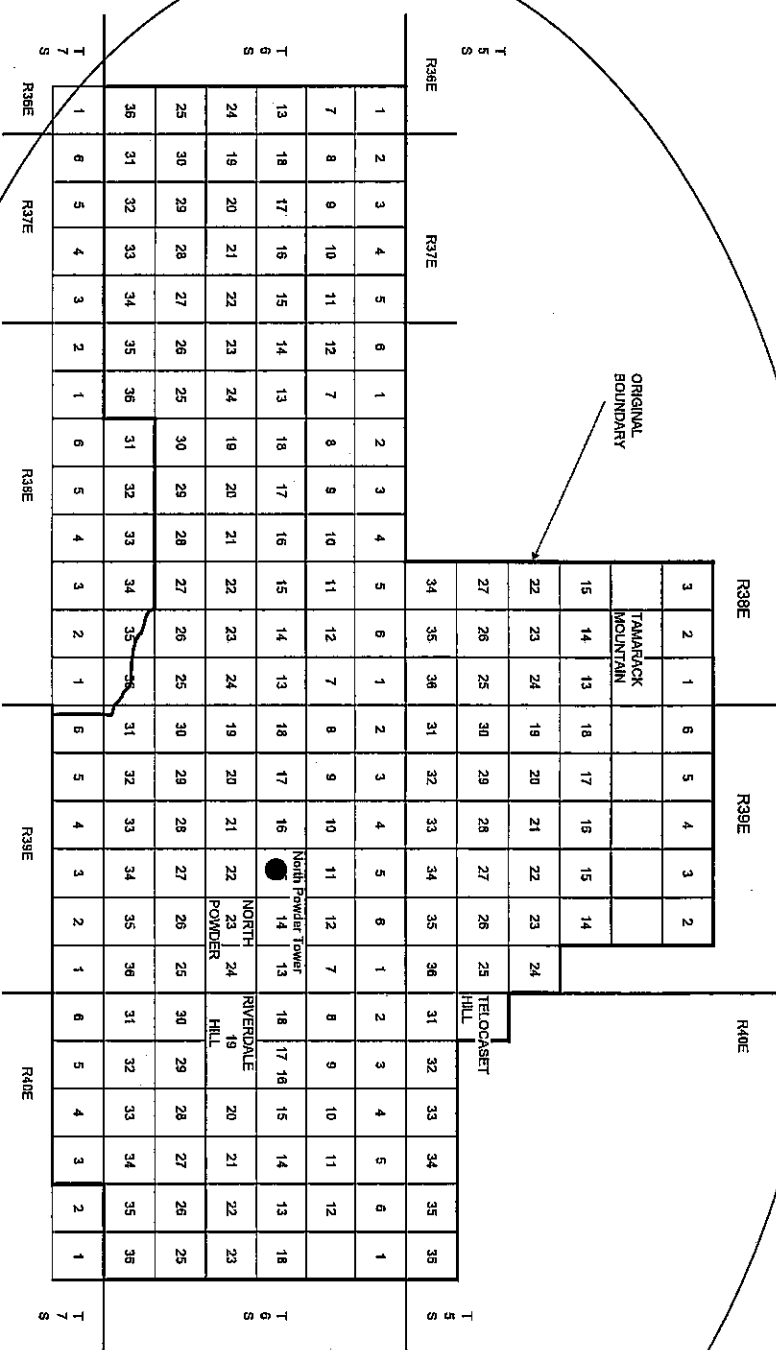
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NOTE: Coverage from 17, North Powder

CASCADE UTILITIES, INC  
 MEDICAL SPRINGS, OR



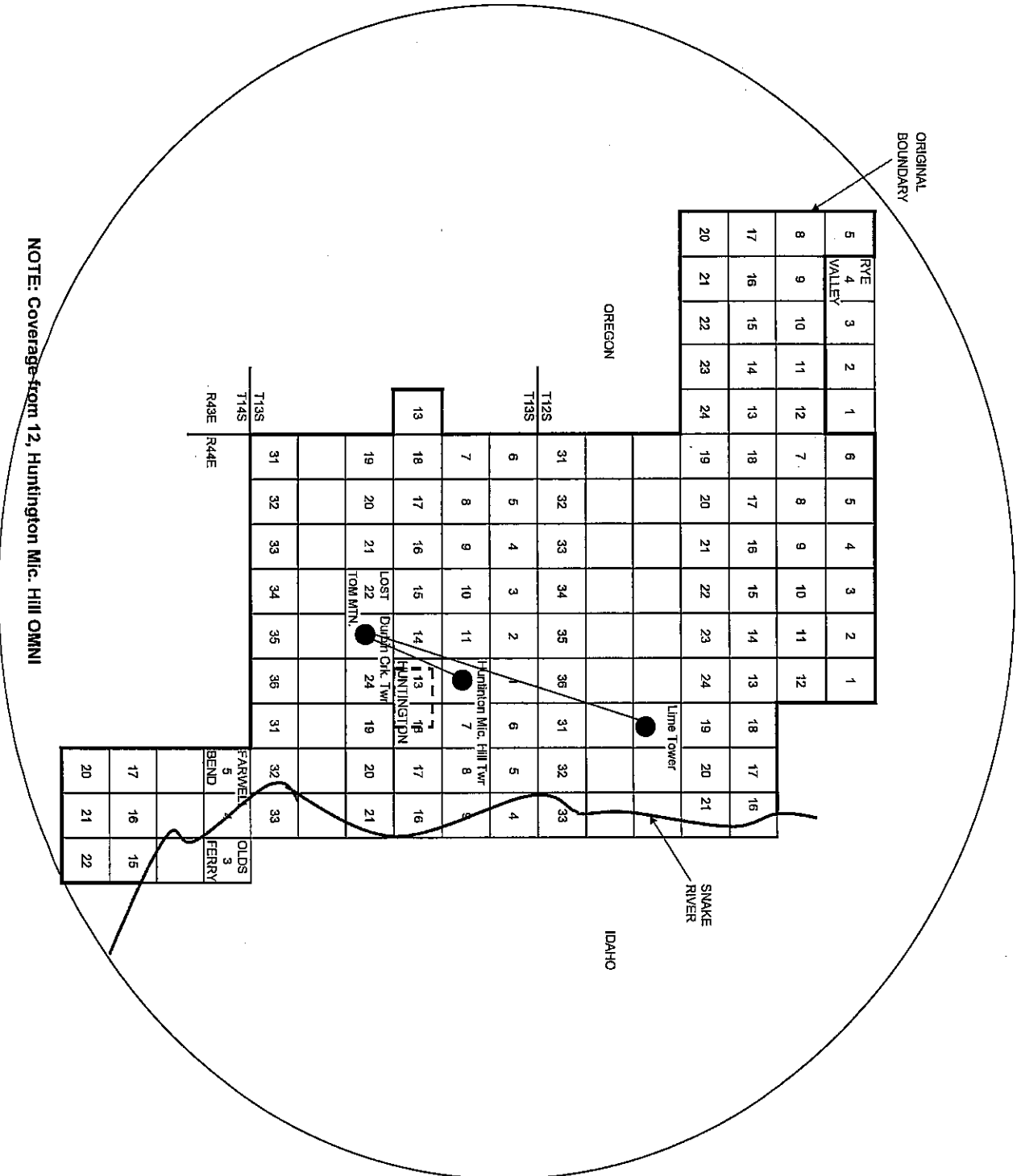
**NOTE: Coverage from 18, Medical Springs OMNI**



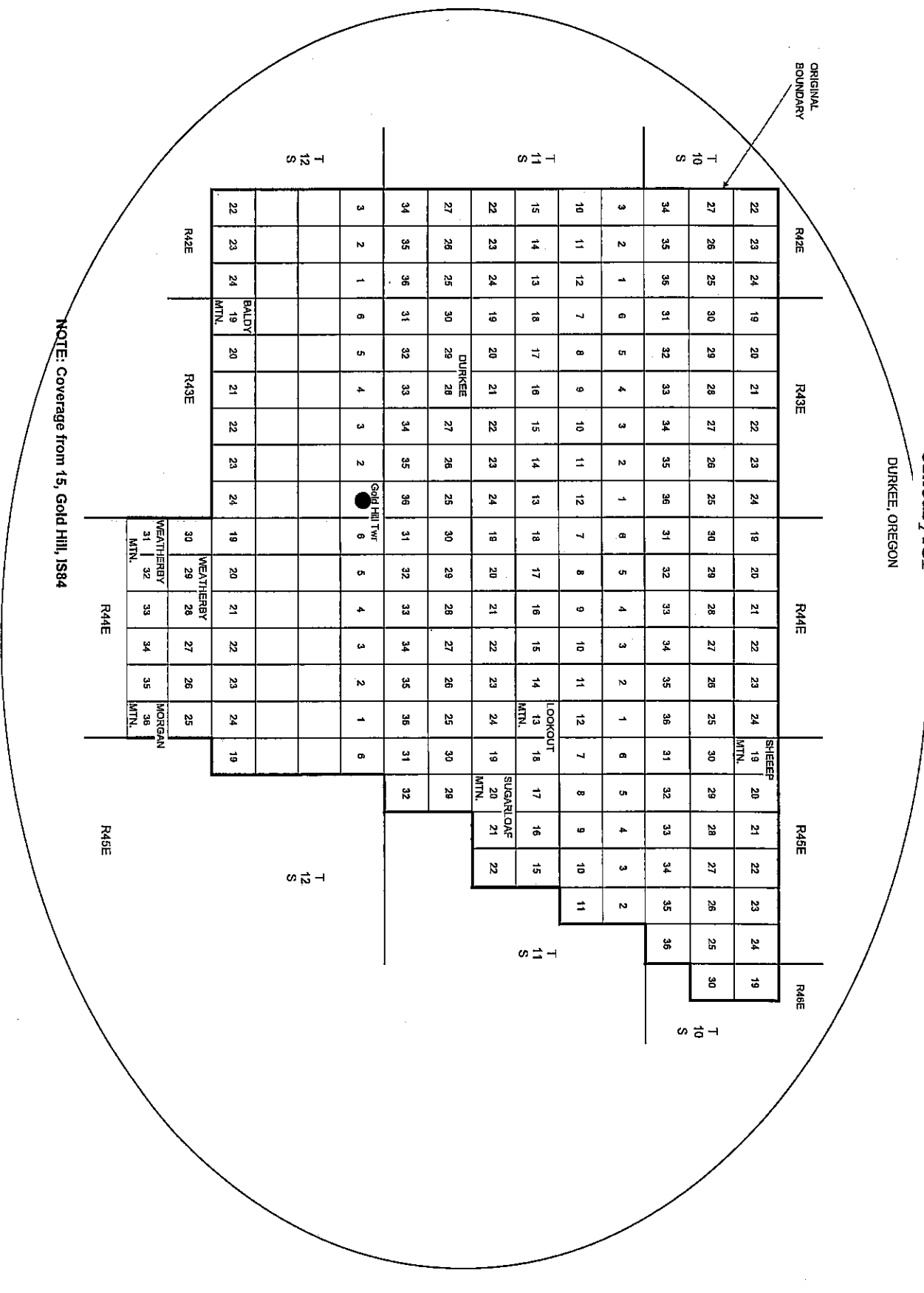
NOTE: Coverage from 17, North Powder Tower OMNI



CenturyTel  
HUNTINGTON, OREGON



NOTE: Coverage from 12, Huntington Mic. Hill OMNI



NOTE: Coverage from 15, Gold Hill, IS84



EXHIBIT G

**Business Plan \$99.95**

*2 Year Contract Package standards*

- 3000** shared home minutes between 3 phones
- 1500** shared travel minutes between 3 phones

**Unlimited** nights and weekends in home area (9 p.m. to 6:59 a.m. daily and 9 p.m. Friday to 9 p.m. a.m. Monday)

- **NATIONWIDE LONG DISTANCE**
  - **VOICE MAIL**
  - **CALLER ID**
  - **UNLIMITED INCOMING TEXT MESSAGES**
  - **HOME AREA MOBILE TO MOBILE**
- FOR ALL FMTC CUSTOMERS**

**Personal Plan \$39.95**

*2 Year Contract Package standards*

- 1000** day time local minutes
- 200** travel minutes – anywhere
- Unlimited** nights and weekends in home area (9 p.m. to 6:59 a.m. daily and 9 p.m. Friday to 6:59 a.m. Monday)

- **NATIONWIDE LONG DISTANCE**
  - **VOICE MAIL**
  - **CALLER ID**
  - **UNLIMITED INCOMING TEXT MESSAGES**
  - **HOME AREA MOBILE TO MOBILE**
- FOR ALL FMTC CUSTOMERS**

**ADD ONS**

1000	DAY TIME MINUTES	\$10
2000	DAY TIME MINUTES	\$20
3000	DAY TIME MINUTES	\$30
500	TRAVEL MINUTES	\$10
1000	TRAVEL MINUTES	\$20

- Home area coverage charges \$0.20 per minute air time and \$0.10 per minute long distance
- Travel minute coverage charge \$0.35 per minute air time and \$0.15 per minute long distance
- Unlimited outgoing text messages \$5.00
- Add another line for \$9.95
- Buy earlier nighttime minutes to start at 8 p.m. \$10
- Buy earlier nighttime minutes to start at 7 p.m. \$20

**ADD ONS**

1000	DAY TIME MINUTES	\$10
2000	DAY TIME MINUTES	\$20
3000	DAY TIME MINUTES	\$30
500	TRAVEL MINUTES	\$10
1000	TRAVEL MINUTES	\$20

- Home area coverage charges \$0.20 per minute air time and \$0.10 per minute long distance
- Travel minute coverage charge \$0.35 per minute air time and \$0.15 per minute long distance
- Unlimited outgoing text messages \$5.00
- Add another line for \$9.95
- Buy earlier nighttime minutes to start at 8 p.m. \$10
- Buy earlier nighttime minutes to start at 7 p.m. \$20



**EXHIBIT H**

**AFFIDAVIT CERTIFYING EMERGENCY FUNCTIONALITY  
AND COMPLIANCE WITH SERVICE QUALITY AND  
CONSUMER PROTECTION MEASURES**

I, Mike Lattin, being of lawful age and duly sworn, on my oath, state that I am the President and Manager of Eagle Telephone System, Inc. ("Company") and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true to the best of my knowledge, information and belief.

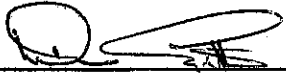
The Company hereby certifies to the Public Utility Commission of Oregon, pursuant to the requirements of Commission Order No. 06-292, that it:

- 1) is able to remain functional in emergencies, and,
- 2) complies with service quality and consumer protection measures in  
(check one):

applicable Oregon Commission rules, or  
 the CTIA Consumer Code for Wireless Carriers, or  
 other (describe and explain conformance with requirements of  
Order No. 06-292): \_\_\_\_\_

DATED this 1<sup>st</sup> day of September, 2006.

Eagle Telephone System, Inc.

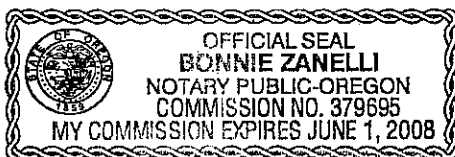
By:   
Mike Lattin

Its: President and Manager

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of September, 2006.

Bonnie Zanelli  
Notary public in and for the State of Oregon, BAKKE County

My Commission Expires: June 1, 2008



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**CERTIFICATE OF SERVICE**

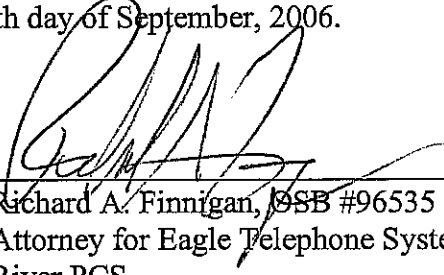
**UM 1237**

I certify that I have this day sent the attached Substitute Application of Eagle Telephone System, Inc., d/b/a Snake River PCS For Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996 by e-mail and U.S. mail to the following:

Filing Center  
Public Utility Commission of Oregon  
550 Capitol St NE #215  
Salem, OR 97308-2148  
PUC.FilingCenter@state.or.us

There are no other parties on the service list at this time. Therefore, copies of the Application were not provided to any other parties or attorneys of parties.

Dated at Olympia, Washington, this 7th day of September, 2006.

  
Richard A. Finnigan, OSB #96535  
Attorney for Eagle Telephone System, Inc., d/b/a Snake  
River PCS