

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMM.

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Arizona Corporation Commission

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IN THE MATTER OF TRANSWORLD
NETWORK, CORP. PETITION FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER
PURSUANT TO SECTION 214(e)(2) OF THE
COMMUNICATIONS ACT OF 1934, AS
AMENDED, 47 U.S.C. § 214(e)(2)

) DOCKET NO. T-04246A-11-0377
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) (Expedited Approval Requested)
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**PETITION OF TRANSWORLD NETWORK, CORP. FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER**

TransWorld Network, Corp. (“TWN” or “Company”) hereby submits this Petition for Designation as an Eligible Telecommunications Carrier (“ETC”), pursuant to 47 U.S.C. § 214(e)(2) for the purpose of receiving federal universal service support in the two rural telephone company study areas identified in Exhibit A (“ETC Service Area”). The ETC Service Area corresponds to the service areas of Valley Telephone Cooperative, Inc. and Copper Valley Telephone, Inc.¹ As explained herein, TWN meets all statutory and regulatory prerequisites for ETC designation and the public interest would be served by granting this Petition, thereby enabling TWN, a voice and high-speed broadband service provider, to advance universal service

¹ Copper Valley Telephone is a wholly owned subsidiary of Valley Telephone Cooperative and the two companies are assigned the same Study Area Code.

in Arizona by serving the basic and advanced communications needs of rural and low-income consumers.

I. TWN IS A FACILITIES-BASED ADVANCED BROADBAND SERVICE PROVIDER

TWN is a facilities-based advanced broadband service provider in Arizona serving the basic telephone and advanced broadband needs of consumers. The Company uses radio licenses issued by the Federal Communications Commission (“FCC”) to provide voice and high-speed broadband service in its requested ETC Service Area. In Arizona, TWN service is known to customers as Wi-Power (<http://www.wi-power.com/bsfra.html>).

TWN is a well-established telecommunications company founded in 1988 and has been providing telecommunications and other services in Arizona for several years.² The Company, headquartered in Oldsmar, Florida, owns and operates a fixed wireless network covering approximately 32,000 square miles in Arizona and New Mexico with plans to double coverage to almost 70,000 square miles and beyond with universal service funding. The geographic area that is the subject of this Petition is a subset of the total coverage area served by TWN. No tribal lands are included in the ETC Service Area and TWN does not seek to provide ETC services on tribal lands. The Company’s focus is to bring mobile-ready, fixed-wireless voice and broadband services into areas that are unserved or underserved due to geography and demography challenges. TWN is uniquely positioned to address these challenges because of the fixed wireless networks it has already successfully deployed throughout the State.

TWN operates in rural areas in partnership with Rural Electric Cooperatives. In many areas, TWN is the only trusted, experienced source for a rural cooperative seeking a voice and

² TWN was authorized to provide resold interexchange services in Arizona on January 4, 2005. See Decision No. 67465, Docket No. T-04246A-04-0201.

broadband service solution for its customers. TWN's low-cost offerings and partnership with the cooperatives has uniquely positioned the Company to achieve the goals of ubiquitous voice and broadband deployment in rural areas. TWN participates in regional public awareness initiatives in rural communities where curiosity is high but understanding of the benefits of advanced communications services are not always fully understood. The Company works with the community and rural cooperative leaders to ensure a successful and sustainable communications deployment and operations. TWN provides critical communications services to customers, including voice and broadband access services. It currently provides voice and broadband service to several Critical Community Facilities and Public Safety Entities in the state of Arizona.

Upon designation as an ETC, TWN will provide the universal supported services throughout the requested ETC Service Area, thereby making voice and high-speed broadband services available to rural consumers and discounted Lifeline service to qualified low-income consumers, which will advance universal service in Arizona. TWN stands as a highly-qualified applicant – ready to serve rural communities in its ETC Service Area.

II. TWN MEETS THE STATUTORY AND REGULATORY PREREQUISITES FOR ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

As discussed more fully below, TWN meets all applicable requirements for designation as an ETC, including:

1. common carrier status [*see* 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d)];
2. offer the services supported by federal universal service support mechanisms as defined in 47 C.F.R. § 54.101(a) [*see* 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1)];
3. use its own facilities to provide the supported services [*see* 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1)];

4. provide the supported services throughout its designated service area [*see* 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d)];
5. advertise the availability of its universal service offerings and charges for such offerings using media of general distribution [*see* 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2)];
6. make available Lifeline service to qualifying low-income consumers [47 C.F.R. § 54.405];
7. submits a five-year service improvement plan demonstrating how support will be used to improve coverage, service quality or capacity throughout its ETC Service Area [47 C.F.R. § 54.202];
8. remain functional in emergency situations [47 C.F.R. § 54.202];
9. satisfy consumer protection and service quality standards [47 C.F.R. § 54.202];
10. offer local usage plans comparable to the incumbent local exchange carriers [47 C.F.R. § 54.202]; and
11. acknowledges that it may be required to provide equal access if all other ETCs in the designated area relinquish their designations [47 C.F.R. § 54.202].

Designation as an ETC will also be in the public interest by resulting in more customer choice, access to high-speed broadband services, and not adversely increasing the size of the federal high-cost fund [47 U.S.C. § 214(e)(2)]. TWN's compliance with each of the applicable federal and Arizona requirements to obtain designation as an ETC is further discussed below.

A. TWN Will Meet The Applicable Common Carrier Requirements

TWN provides interconnected-VOIP services and is subject to common carrier regulations, including: (i) registering with the FCC; (ii) contributing to Universal Service Funds (USFs) and paying TRS, NANPA, LNP and Regulatory applicable fees; (iii) complying with E911 and Communications Assistance for Law Enforcement Act (CALEA) and Customer

Proprietary Network Information (CPNI) obligations, and a diverse array of state and local tax and assessment obligations. Additionally, TWN has filed with the Arizona Corporation Commission (“Commission”) an application for a Certificate of Convenience and Necessity (“CC&N”) for facilities based local exchange service. *See* Docket T-04246A-11-0368. As a universal service provider, TWN will be subject to the common carrier obligation to serve all consumers within its ETC service area and will be subject to other federal and state universal service requirements.

B. TWN Offers The Services Supported By Federal Universal Service Support Mechanisms

TWN provides each of eight services supported by federal universal service support mechanisms and will provide toll-limitation service for qualifying low-income consumers upon designation as an ETC as set forth below.

1. Voice Grade Access To The Public Switched Telephone Network - the ability to transmit and receive voice communications with a minimum bandwidth of 300 to 3,500 Hertz [47 C.F.R. § 54.101(a)(1)]. TWN meets this requirement through its provision of interconnected-VOIP service with access to the public switched telephone network.
2. Local Usage – an amount of minutes of use provided free of charge to end users [47 C.F.R. § 54.101(a)(2)]. TWN meets this requirement by providing an unlimited local usage in each universal service rate plan.
3. Dual Tone Multi-Frequency (“DTMF”) Signaling Or Its Functional Equivalent – a method of signaling that facilitates the transportation of call set-up and call detail information [47 C.F.R. § 54.101(a)(3)]. TWN meets this requirement by providing out-of-band digital signaling and in-band multi-frequency signaling for call set-up and termination
4. Single Party Service Or Its Functional Equivalent – a dedicated message path for the length of a user’s particular transmission [47 C.F.R. § 54.101(a)(4)]. TWN meets this requirement by providing a dedicated, non-shared, frequency path for each voice call.
5. Access To Emergency Services – access to emergency services includes both access to 911 and E911 services to the extent the local government

has implemented such services [47 C.F.R. § 54.101(a)(5)]. TWN meets this requirement by providing 911 service and meeting all requests for E911 service from local public service answering points (“PSAPs”).

6. Access To Operator Services – access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call [47 C.F.R. § 54.101(a)(6)]. TWN meets this requirement by providing operator services to its customers directly or through third party arrangements.
7. Access To Interexchange Service – ability to make and receive calls using an interexchange carrier’s network [47 C.F.R. § 54.101(a)(7)]. TWN meets this requirement by providing its customers with the ability to make calls over interexchange network facilities.
8. Access To Directory Assistance – making available to customers, among other services, information contained in directory listings. TWN meets this requirement by providing all of its customers with access to directory listings by dialing “555-1212.”
9. Toll Limitation For Qualifying Low-Income Consumers – toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control [47 C.F.R. § 54.101(a)(9); 47 C.F.R. § 54.400(d)]. Upon implementing its Lifeline service offering, TWN will offer toll limitation to qualifying low-income consumers at no additional charge.

C TWN Will Use Its Own Facilities to Provide the Supported Services

TWN is a facilities-based wireless telecommunications carrier with its own switching, transport, cell sites, and associated telecommunications facilities in its proposed designated ETC Service Area. TWN uses fixed wireless communications facilities to serve consumers’ basic and advanced communications needs.

D. TWN Will Provide The Supported Services Throughout Its Designated Service Areas

TWN commits to provide the supported services throughout its designated Service Area, consistent with all applicable requirements, including the FCC’s ETC service

provisioning requirements found in 47 C.F.R. § 54.202. To the extent TWN's network already passes or covers a potential customer's premises, TWN will provide service on a timely basis, and, in those instances where a request comes from a potential customer within TWN's licensed service area but outside its existing network coverage, TWN will provide service within a reasonable period of time by: (1) modifying or replacing the requesting customer's equipment; (2) deploying a roof-mounted antenna or other equipment; (3) adjusting the nearest cell tower; (4) adjusting network or customer facilities; (5) reselling services from another carrier's facilities to provide service; or (6) employing, leasing, or constructing an additional cell site, cell extender, repeater, or other similar equipment. If TWN determines that it cannot reasonably serve a consumer, then it will report the unfulfilled request within 30 days after making such determination.

E. TWN Will Advertise The Availability Of Its Universal Service Offerings And Charges For Such Offerings Using Media Of General Distribution

TWN commits to advertise the availability of, and charges for, the supported services using media of general distribution as required by the FCC Rules.³ TWN currently offers and advertises its wireless telecommunications services, including those offerings that include all of the supported services, using radio, television, billboards, print, internet, or targeted mailings. TWN will also use the appropriate media outlets to advertise its universal service offerings in a manner consistent with applicable requirements.

F. TWN Will Make Available Lifeline Service To Qualifying Low-Income Consumers

Upon designation as an ETC, TWN will make available to qualified low-income consumers a discounted service offering that meets all applicable Lifeline requirements. Low-

³ See 47 C.F.R. §§ 54.202)d)(2) and 54.405(b).

income consumers have become increasingly dependent upon broadband-based services for their communications needs and would greatly benefit from TWN's Lifeline service offering.

TWN's planned Lifeline service offering, which is subject to change, will include:

- a low \$11.45 per month Lifeline rate;⁴ and
- unlimited local calling for calls within the underlying ILEC's local calling area for each community comprising the requested ETC Service Area.

G. ETC Service Area

TWN's ETC Service Area includes the rural telephone company study areas identified in Exhibit A. TWN established its ETC Service Area based upon where the Company has, or plans to have, significant coverage in the rural telephone company study areas. TWN's ETC application does not raise any cream-skimming issues or concerns because TWN is committing to serve the entire study area of rural telephone companies within its ETC Service Area. A map depicting TWN's ETC Service Area is attached as Exhibit B.

H. TWN Meets The Additional Requirements for Designation As An ETC

1. Service Improvement Plan

As an ETC, TWN will use universal service funding to support and enhance its network facilities in its proposed designated ETC Service Area. TWN has prepared a comprehensive service improvement plan and will provide that to the Commission pursuant to a protective agreement. This plan includes a substantive plan of investments to be made with universal service support funds during the first five years of support.

⁴ The \$11.45 per month discounted Lifeline rate is based upon a non-discounted rate of \$24.95 per month *minus* a \$13.50 Lifeline discount ($\$ 24.95 - \$13.50 = \$11.45$).

2. Ability to Function in Emergency Situations

TWN has included back-up power in its network to ensure functionality without an external power source and is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations, consistent with the requirements of 47 C.F.R. § 54.202(a)(2).

3. Consumer Protection and Service Quality Standards

TWN will satisfy applicable consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3). In particular, as a competitive local exchange carrier (“CLEC”) (*see* Docket T-04246A-11-0368), TWN will be subject to the applicable requirements for consumer protection and service quality in the Commission’s rules (A.A.C. R14-2-501 et. seq). TWN has provided telephone and broadband service for years and has experienced customer growth year after year. TWN recognizes that quality customer service and customer satisfaction are key to that growth.

4. Comparable Local Usage Plans

TWN’s interconnected-VOIP offerings are comparable to the offerings of the ILECs. TWN’s price plans are set forth in Exhibit C.

III. DESIGNATING TWN AS AN ETC IS IN THE PUBLIC INTEREST.

Designation of TWN as an ETC is in the public interest because it will: (i) preserve and advance universal service by making available an advanced communications system and services to rural consumers; (ii) result in more customer choice, including competitive pricing and new services; (iii) provide other unique advantages, including access to a high-speed broadband service provider; and (iv) not adversely increase the size of the federal high-cost universal service fund.

A. Benefits of Increased Competitive Choice, Pricing and New Services

The benefits of competition are widely recognized and extend to all markets, including the universal service market, as recognized by the FCC:⁵

We note that an important goal of the Act is to open local telecommunications markets to competition. Designation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies. We agree with Western Wireless that competition will result not only in the deployment of new facilities and technologies, but will also provide an incentive to the incumbent rural telephone companies to improve their existing network to remain competitive, resulting in improved service to Wyoming consumers [consumers in the proposed ETC service area]. In addition, we find that the provision of competitive service will facilitate universal service to the benefit of consumers in Wyoming by creating incentives to ensure that quality services are available at “just, reasonable, and affordable rates.”

TWN’s designation as an ETC will result in consumers having greater access to basic and advanced telecommunications services in rural areas, thereby advancing the basic goal of preserving and advancing universal service.⁶ In rural areas, the universal service goal is clear:⁷

Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

To accomplish this goal, a competitive universal service framework has been established with consumers benefiting from competing carriers vying for their business based upon price, service offerings, coverage, and service quality. TWN’s designation as an ETC will enable the Company to bring innovative and competitive services to consumers throughout its designated

⁵ In the Matter of the Federal-State Joint Board on Universal Service, Western Wireless Corp. Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, *Memorandum Opinion and Order*, DA. 00-2896, ¶ 17 (released December 26, 2000).

⁶ See 47 U.S.C. § 254(b).

⁷ 47 U.S.C. § 254(b)(3).

service area, which will lead to incumbent carriers expanding their service offerings, service quality, and customer service to the benefit of rural consumers.

B. Unique Advantages, Including Access To A High-Speed Broadband Service Provider

Universal service funding will enable TWN to extend its advanced communications network into rural areas, which will serve as the platform for the delivery of voice and broadband services to consumers. As Congress, the FCC and this Commission has recognized, access to broadband service is critically important for rural communities and consumers. While broadband service is not a supported service today, TWN's network supports the provision of high-speed broadband services, which may soon become a supported service. In the meantime, TWN is seeking universal service funding for the provision of the supported voice services.

TWN is seeking universal service funding only for deploying voice services, but through its build out of an advanced communications network, TWN will make broadband ready services available to rural consumers. Broadband adoption rates across rural America lag the rest of the country due to cost, availability and lack of perceived need. In order for a service provider to be successful in this market, it must address the Digital Literacy issue in addition to providing low-cost services. The Company's partnership with the Rural Electric Cooperatives gives it unique and direct access to the populations living in the requested ETC Service Area, within an environment of trust that is difficult to develop in today's market. With this advantage, TWN can drive Digital Literacy to levels that will help to speed economic growth. The positive economic impact on society that results from broadband adoption is indisputable; the benefits are well documented in the FCC's National Broadband Plan.

C. Impact on the Universal Service Fund

The designation of TWN as an ETC will not increase the size of the federal high-cost universal service fund, due to the cap on Competitive ETC funding.

D. Commitment to Quality of Service

TWN's commitment to its customers in Arizona is one of the most important aspects of its brand. TWN takes its responsibility to its customers very seriously. With universal service funding, TWN will be able to increase its investment in rural areas of Arizona.

IV. CERTIFICATION FOR USE OF UNIVERSAL SERVICE FUNDS

TWN certifies that it will use federal high-cost universal service support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, in accordance with 47 U.S.C. § 254(e). TWN's high-cost certification pursuant to 47 C.F.R. § 54.314(a) is included as Exhibit D. TWN also requests that the Commission provide a supplemental certification for TWN's use of universal service support to ensure funding availability as of the date of ETC designation.

V. CONCLUSION

WHEREFORE, TWN respectfully requests that the Commission designate TWN as an ETC in the service area identified in Exhibit A for purposes of receiving federal universal service support and certify TWN's use of universal service funds effective on the date of the order designating TWN as an ETC and send appropriate notice of the certification to the Federal Communications Commission and the Universal Service Administrative Company.

RESPECTFULLY SUBMITTED this 13th day of October 2011.

TransWorld Network, Corp.

By: 

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Attorney for TransWorld Network, Corp.

ORIGINAL + 13 copies of the foregoing filed this 13th day of October 2011 with:

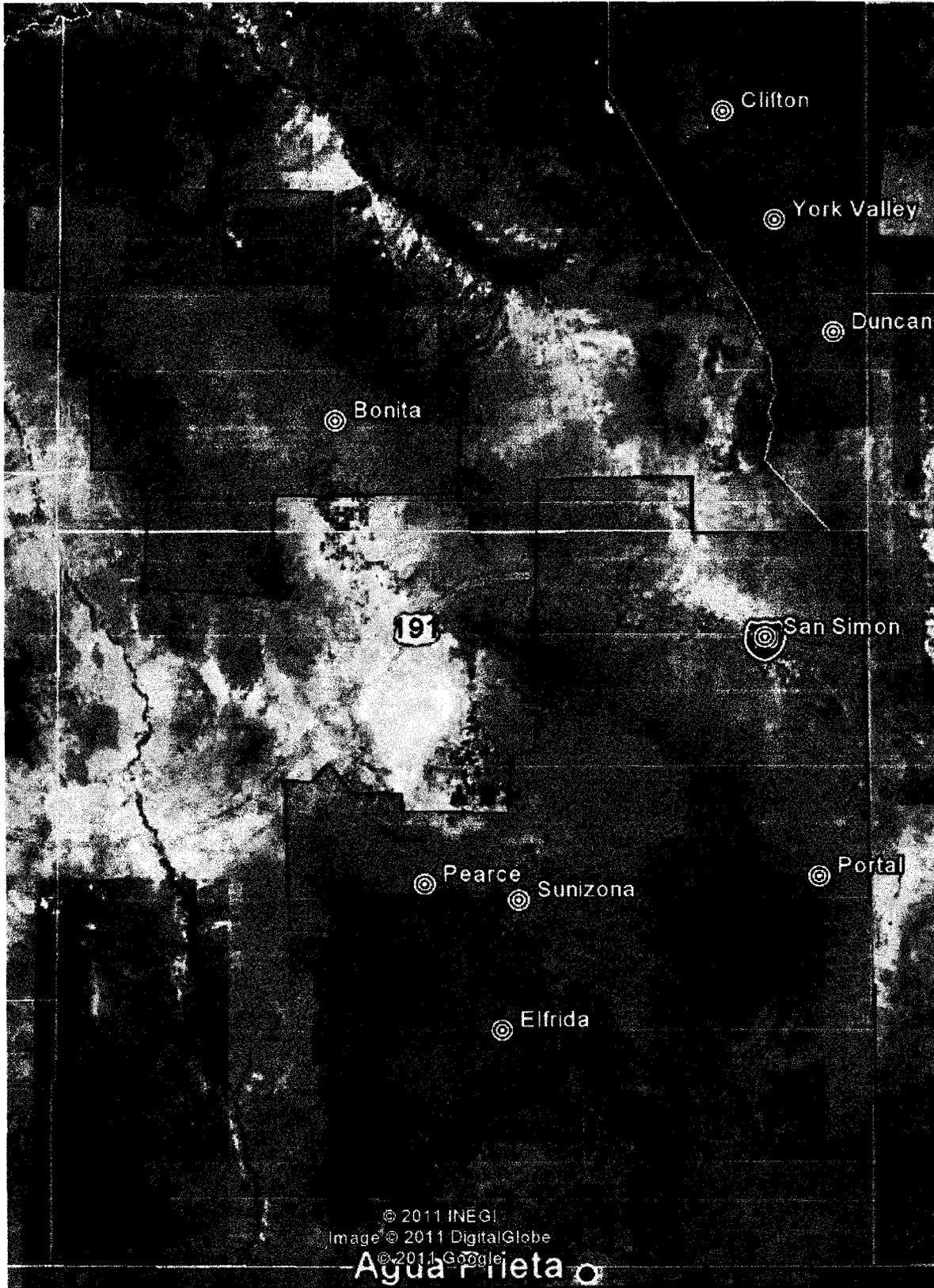
Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

EXHIBIT A:

ETC SERVICE AREA

Telephone Company Area	Study Area Code	Wire Centers
Valley Telephone Cooperative, Inc.	452176	Entire Study Area and Associated Wire Centers
Copper Valley Telephone, Inc.	452176	Entire Study Area and Associated Wire Centers

**EXHIBIT B:
MAP OF TWN ETC SERVICE AREA**



Corresponds to Valley Telephone Cooperative, Inc. Service Area



Corresponds to Copper Valley Telephone Inc. Service Area

EXHIBIT C:

TWN PRICE LIST

TWN PRICE PLANS FOR LOCAL TELEPHONE SERVICE

Residential Rates

Monthly Recurring Charges	Minimum	Maximum
Digital Phone Service - Unlimited	\$ 24.95	\$ 49.95
Non-recurring Fees and Charges	Minimum	Maximum
Digital Phone Service - Activation Fee - 1 Year Term	\$ 29.99	\$ 49.99
Digital Phone Service - Activation Fee - 2 Year Term	\$ 14.99	\$ 34.99

Non-residential Rates

Monthly Recurring Charges	Minimum	Maximum
Digital Phone Service – 1500 Minutes	\$ 39.95	\$ 49.95
Non-recurring Fees and Charges	Minimum	Maximum
Digital Phone Service - Activation Fee - 1 Year Term	\$ 29.99	\$ 49.99
Digital Phone Service - Activation Fee - 2 Year Term	\$ 14.99	\$ 34.99
Digital Phone Service - Activation Fee - 3 Year Term	Waived	\$ 24.99

EXHIBIT D:

HIGH-COST CERTIFICATION ON USE OF UNIVERSAL SERVICE FUNDS

Rural High-Cost Support

October 13, 2011

2012

To: Office of the Secretary
Federal Communications Commission
445 – 12th Street, SW
Washington, DC 20554

HIGH-COST SUPPORT

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
Rural Use High-Cost Support
Annual Certification Filing Pursuant to 47 C.F.R. § 54.314

This is to certify that TransWorld Network, Corp. will use its **RURAL HIGH-COST SUPPORT** only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act, 47 U.S.C. § 254(e).

I am authorized to make this certification on behalf of the company named above. This certification is for the study area(s) listed below.

Company Name	State	Study Area Code
TransWorld Network, Corp.	Arizona	

Signed,

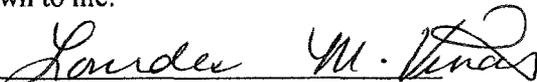


Colin Wood, CEO
TransWorld Network, Corp.
255 Pine Ave N
Oldsmar, FL 34677
(813) 891-4700

Carrier's Name:

STATE OF FLORIDA
COUNTY OF PINELLAS

Subscribed and sworn to before me this 13th day of October, 2011, by Colin Wood, who is personally known to me.


Notary Public



LOURDES M. VINAS
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD959326
Expires 4/7/2014