# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of USCOC of Nebraska/Kansas, LLC )

25-USCZ-367-ETC

Petition to Relinquish Its Designations as an Eligible Telecommunications Carrier Under 47 U.S.C. § 214(e)(2) Docket No. 06-USCZ-519-ETC

### VERIFIED PETITION FOR RELINQUISHMENT OF ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

USCOC of Nebraska/Kansas, LLC<sup>1</sup> (the "Company" or "UScellular") hereby petitions the Kansas Corporation Commission ("KCC" or "Commission") to relinquish its designation as an Eligible Telecommunications Carrier ("ETC") in Kansas pursuant to Section 214(e)(4) of the Telecommunications Act of 1934, as amended ("Act"), 47 U.S.C. § 214(e)(4), Part 54 of Federal Communications Commission's rules, 47 C.F.R. § 54.1 *et seq.*, and K.S.A. 66-2006(d). The relinquishment is necessitated by, and are therefore to be contingent upon and concurrent with, the consummation of the anticipated acquisition of UScellular's wireless business operations by T-Mobile US, Inc. ("T-Mobile"), subject to all requisite regulatory approvals (the "Closing").

The T-Mobile acquisition is currently the subject of applications for transfer of control and assignment of various authorizations pending at the FCC.<sup>2</sup> While UScellular cannot predict the

<sup>2</sup> See T-MOBILE AND USCELLULAR SEEK FCC CONSENT TO THE PROPOSED TRANSFER OF CONTROL AND ASSIGNMENT OF CERTAIN SPECTRUM LICENSES, AUTHORIZATIONS, AND SPECTRUM LEASES HELD BY USCELLULAR TO T-MOBILE, Public Notice, DA 24-1115 (rel. Oct. 30, 2024), accessed at https://docs.fcc.gov/public/attachments/DA-24-1115A1.pdf; the lead application is FCC File No. 0011180491, accessed at https://wireless2.fcc.gov/UlsApp/ApplicationSearch/applMain.jsp?applID=15031686. The UScellular public interest statement filed with the FCC can be accessed at https://www.fcc.gov/ecfs/search/searchfilings/results?q=(proceedings.name:(%2224-286%22)) ( "FCC Public Interest Statement"). See also id. at Exhibit C (Declaration of UScellular CEO Laurent Therivel): "As we state in the filing, we firmly believe that this transaction will result in customers of both companies experiencing significant benefits from increased network capacity, higher speeds, reduced congestion and improved service, particularly, in rural parts of the country. Additionally, following the sale, UScellular customers will have the flexibility to switch to a lower-cost T-Mobile plan or stay on their current UScellular rate plan, all while enjoying a world-class 5G network."

<sup>&</sup>lt;sup>1</sup> USCOC of Nebraska/Kansas, LLC is a licensed subsidiary of United States Cellular Corporation, which does business nationally as UScellular.

timing or outcome of that proceeding, it is believed that approval could occur by mid-2025. Accordingly, UScellular respectfully requests that the Commission approve the relinquishment of UScellular's ETC designation in Kansas, with its approval contingent upon and concurrent with the Closing. Upon approval of the acquisition and when the Closing date is known, UScellular will submit a notification filing to specify the effective date of the relinquishment.

The impact of the relinquishment will be minimal because: (1) T-Mobile intends to facilitate a seamless transition of UScellular's customers, who need take no action unless they desire to switch carriers, and (2) T-Mobile, through its Assurance Wireless brand,<sup>3</sup> is currently an ETC in UScellular's ETC areas in Kansas and will provide continued service to UScellular's Lifeline customers in Kansas, including the offering of Lifeline discounts to eligible households.

#### I. BACKGROUND

#### A. UScellular

UScellular is a publicly traded Delaware corporation headquartered in Chicago, Illinois, with 2023 revenues of approximately \$3.9 billion. UScellular is a majority-owned subsidiary of Telephone Data Systems, Inc.<sup>4</sup> In its 21-state footprint, UScellular provides its customers with postpaid and prepaid wireless voice, data, and messaging service, in-home/business broadband (fixed wireless access), and Internet of Things ("IoT") services. UScellular owns approximately 4,400 towers that it uses to support its network, and those of other providers through tower lease agreements.<sup>5</sup> In 15 states of its 21-state footprint, including Kansas, UScellular has been designated as an ETC for purposes of receiving universal service fund support, specifically high-

<sup>&</sup>lt;sup>3</sup> See Order in Docket No. 10-VMBZ-657-ETC (issued Nov. 2, 2011). At the time of its ETC designation, Assurance Wireless was operated by Virgin Mobile. T-Mobile acquired the Assurance Wireless brand in 2020 as part of the Sprint merger with T-Mobile.

<sup>&</sup>lt;sup>4</sup> FCC Public Interest Statement at 3.

<sup>&</sup>lt;sup>5</sup> Id.

cost and Lifeline.<sup>6</sup>

#### B. T-Mobile

T-Mobile is a publicly traded Delaware corporation headquartered in Bellevue, Washington. Currently, T-Mobile is the second largest wireless carrier in the United States, serving over 125.9 million customers.<sup>7</sup> Through its owned and operated retail stores, third-party distributors, and its websites, T-Mobile offers wireless voice and data services—as well as a wide selection of wireless devices and accessories—to residential and business customers in the United States. T-Mobile also offers a high-speed fixed wireless in home broadband service, an alternative to traditional landline internet service providers.

T-Mobile currently provides wireless service to customers throughout Kansas.<sup>8</sup> T-Mobile is an ETC in Kansas under its Assurance Wireless brand through which it offers Lifeline to qualifying low-incoming households.<sup>9</sup>

#### C. General Description of the T-Mobile Acquisition

Upon the Closing, UScellular will have transferred its wireless operations, some of its spectrum assets, and customers that chose to move to T-Mobile, including those in Kansas. Because UScellular's wireless operations and its customers will transfer to T-Mobile at Closing, the transition is expected to be ubiquitous as to UScellular's current service areas and seamless from the customer perspective.<sup>10</sup> As T-Mobile is also a Lifeline provider in Kansas, it will be among the options available to UScellular's Lifeline subscribers to continue receiving discounted

<sup>&</sup>lt;sup>6</sup> See Order in Docket No. 06-USCZ-519-ETC (issued Feb. 10, 2006).

<sup>&</sup>lt;sup>7</sup> Id. at 1-2; see also, <u>https://www.T-Mobile.com/news/business/T-Mobile-q2-2024-earnings</u>.

<sup>&</sup>lt;sup>8</sup> See e.g., <u>https://www.t-mobile.com/coverage/network</u>.

<sup>&</sup>lt;sup>9</sup> See supra n.3.

<sup>&</sup>lt;sup>10</sup> See generally FCC Public Interest Statement. T-Mobile estimates that nearly all of UScellular's customers have compatible devices and the migration of the vast majority of UScellular customers can be accomplished almost immediately after closing. See id. at iii.

wireless service. T-Mobile will quickly activate UScellular's spectrum and work to integrate UScellular's network into its own network. This process will benefit from T-Mobile's significant track record in incorporating acquired assets, with expected improvements to the combined network's capacity, speed and performance.<sup>11</sup>

# II. DISCUSSION

Federal law specifies that the Commission "shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier."<sup>12</sup> The federal requirements for relinquishment of ETC designation can be summarized as follows: (1) there must be more than one ETC serving in the area of the ETC seeking relinquishment; (2) the ETC seeking relinquishment must provide advance notice to the relevant public service commission; (3) the subscribers served by the relinquishing ETC must continue to be served by an ETC; and (4) to the extent that additional facilities are required to serve any of the relinquishing ETC's customers, sufficient notice shall be provided to ensure that the construction or purchase can be timely completed. As detailed below, UScellular's request complies with each of these requirements.

#### A. Other ETCs Serve UScellular's ETC Service Area.

In Kansas, UScellular's ETC service area is served by more than one ETC, including multiple wireless ETCs.<sup>13</sup> These wireless ETCs include T-Mobile, which is an ETC offering Lifeline in substantially all of UScellular's ETC areas in Kansas. Immediately following the closing of the Transaction, all UScellular Lifeline customers will continue on their current plans

<sup>&</sup>lt;sup>11</sup> See, e.g., *id.* at (i)-(v).

<sup>&</sup>lt;sup>12</sup> 47 U.S.C. § 214(e)(4).

<sup>&</sup>lt;sup>13</sup> According to USAC data, there are 19 wireless Lifeline providers in Kansas. Source: Universal Service Administrative Company, FCC Filings, Second Quarter 2025, Appendix LI-03, *accessed at* https://www.usac.org/about/reports-orders/fcc-filings/#results.

or switch to a T-Mobile plan. These customers will not need to take any action in order for that to occur.<sup>14</sup> Because at least one other ETC serves UScellular's ETC service area, federal law allows the Commission to permit UScellular to relinquish its ETC designation. Moreover, T-Mobile's network integration and seamless customer migration both mean that there will be continuity of service for UScellular's customers and no risk of Lifeline customers being left without service.<sup>15</sup>

#### **B.** UScellular Is Providing Advance Notice to the Commission.

Consistent with 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205(a), UScellular is filing this Petition more than a month in advance of the requested effective date of relinquishment of its ETC designation.

# C. The Remaining ETCs Will Serve Consumers.

UScellular's Lifeline subscribers in Kansas will have at least one alternative ETC from which to choose, and T-Mobile will provide continued discounted wireless service to UScellular's Lifeline customers. Thus, all low-income consumers residing in UScellular's ETC service area will continue to be served by an ETC consistent with 47 U.S.C. § 214(e).

#### D. No Additional Facilities Need Be Purchased or Constructed.

To the best of UScellular's knowledge, none of the remaining ETCs will be required to purchase or construct additional facilities to continue to serve consumers within UScellular's Kansas service area.

Because UScellular has met all four requirements set forth above, UScellular respectfully requests the Commission to permit UScellular to relinquish ETC status in Kansas.

<sup>&</sup>lt;sup>14</sup> As of January 2025, UScellular had 42 Lifeline subscribers in Kansas.

<sup>&</sup>lt;sup>15</sup> Because of this service continuity, the need to notify customers in advance to avoid loss of service is not present here. In addition, the pending status of the transaction means that 30-45 days advance customer notice could confuse customers as the Closing would not yet be assured.

### **III. PUBLIC INTEREST CONSIDERATIONS**

UScellular's proposed ETC relinquishment is consistent with the public interest. Service is available from other wireline and wireless providers in Kansas, including T-Mobile (Assurance Wireless) and the incumbent LECs serving UScellular's ETC area. Consequently, UScellular's subscribers will be able to transition to T-Mobile without taking any action, or they may choose to take service from multiple other carriers. Lifeline customers will continue to receive discounted wireless service, either from T-Mobile or from other providers if they choose.

#### **IV. CONCLUSION**

Therefore, UScellular respectfully requests that the Commission issue an order approving the relinquishment of UScellular's ETC designation in Kansas contingent upon, and concurrent with, the Closing.

Dated: March 31, 2025

Respectfully submitted,

Pierce Atwood LLP

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Attorney for USCOC of Nebraska/Kansas, LLC

# **VERIFICATION**

STATE OF MAINE

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### COUNTY OF CUMBERLAND

I, Lisa A. Gilbreath, verify under penalty of perjury under the laws of the state of Kansas that I am an attorney for U.S. Cellular, and that the foregoing Verified Petition for Relinquishment of Eligible Telecommunications Carrier Designation is true and correct to the best of my knowledge and information. Executed on March 31, 2025.

Lisa A. Gilbreath