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NEBRASKA PUBLIC SERVICE COMMISSION

**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

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| In the Matter of the Nebraska Public Service Commission, on its own motion, to investigate and monitor compliance with federally mandated intercarrier compensation reform. | ) ) ) ) ) ) ) | Application No. C-4459/PI-185 |

## AT&T'S COMMENTS

AT&T[1] respectfully submits its Comments[2] recommending that the Nebraska Public Service Commission ("Commission") establish a single case for the orderly filing of tariffs the FCC ordered all local exchange companies to file to reduce intrastate switched access rates.[3] For the efficient review of these tariffs, AT&T recommends the Commission require the filings to be made by June 1, 2012, with supporting data available for review subject to appropriate proprietary procedures.

## Background

The FCC's *USF/ICC Transformation Order* comprehensively reforms the intercarrier compensation regime by adopting a uniform national bill-and-keep framework as the ultimate end-state for all telecommunications traffic exchanged with a Local Exchange Carrier ("LEC"). From an access perspective, the FCC plan first requires a transition to bill-and-keep on terminating access and various transport rates.[4]

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[1] AT&T Communications of the Midwest, Inc. and TCG Omaha will be referred to in these comments as "AT&T."

[2] AT&T filed these Comments pursuant to the Commission's Opinion and Findings in Application No. C-4459/PI-185, issued April 17, 2012.

[3] *Connect America Fund et al.*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking,* FCC 11-161 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*"), *Pets. for review pending, Direct Commc'ns Cedar Valley, LLC vs. FCC,* No. 11-9581 (10th Cir. filed Dec. 18, 2011) (and consolidated cases).

[4] The FCC has sought further comment on transitioning the remaining rate elements (including originating access) to bill-and-keep in its Further Notice of Proposed Rulemaking portion of the *USF/ICC Transformation Order*, with comments having been filed February 24, 2012, and reply comments March 30, 2012.

Rate Caps. The transition to bill-and-keep starts with a cap on all interstate switched access rates at the December 29, 2011 levels. For price cap carriers (such as CenturyLink), all intrastate switched access rates are also capped.[5] For rate of return carriers (most rural LECs), the cap on intrastate switched access rates is limited to terminating access.[6] For Competitive Local Exchange Carriers ("CLECs") competing with price cap carriers, all intrastate switched access rates are capped, but for CLECs competing with rate-of-return carriers there is no cap on originating access rates.[7]

Reduction of Intrastate Access Rates to Parity. Next, each carrier must reduce its terminating intrastate switched access rates to the level of its interstate switched access rates in two steps. The intrastate rate will be reduced by one-half of the differential on July 1, 2012;[8] and by the remaining one-half of the differential on July 1, 2013.[9] On July 1, 2013, the affected intrastate access rates must match interstate rates in rate levels and rate structure.

Reduction to Bill-and-Keep. Both intrastate and interstate terminating switched access rates are phased down over several years to a bill-and-keep methodology. The end-date of this process for price cap carriers, as well as for CLECs competing with price cap carriers, is July 1, 2018.[10] For rate of return carriers, and CLECs who compete with rate of return carriers, it is July 1, 2020.[11]

State Commission Role under the *USF/ICC Transformation Order*. The FCC explicitly charged State Commissions with the responsibility of facilitating implementation of changes to intrastate access rates to ensure compliance with the *USF/ICC Transformation Order*:

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[5] 47 CFR § 51.907(a).
[6] 47 CFR § 51.909(a).
[7] 47 CFR § 51.911(a).
[8] 47 CFR §§ 907(b), 909(b) and 911(b).
[9] 47CFR §§ 907(c), 909(c) and 911(c).
[10] 47 CFR § 907(d-h).
[11] 47 CFR § 909(d-j).

> Because carriers will be revising intrastate access tariffs to reduce rates for certain terminating switched access rate elements, and capping other intrastate rates, states will play a critical role implementing and enforcing intercarrier compensation reforms. In particular, state oversight of the transition process is necessary to ensure that carriers comply with the transition timing and intrastate access charge reductions . . . to ensure compliance with the framework and to ensure carriers are not taking actions that could enable a windfall and/or double recovery, state commissions should monitor compliance with our rate transition; review how carriers reduce rates to ensure consistency with the uniform framework; and guard against attempts to raise capped intercarrier compensation rates, as well as unanticipated types of gamesmanship. Consistent with states' existing authority, therefore, states could require carriers to provide additional information and/or refile intrastate access tariffs that do not follow the framework or rules adopted in this Order. . . .[12]

## AT&T Comments on Issues Raised by the Commission

AT&T respectfully submits the following responses to the questions the Commission posed in its April 17, 2012 Order:

**1) The manner in which the Commission should review tariff filings made pursuant to the new FCC rules;**

**AT&T Response**: In an effort to streamline the necessary tariff review process, and to ensure the access reductions that must be implemented in Nebraska on July 1 meet the requirements of the FCC Order, AT&T proposes that the Commission require all carriers providing access service in Nebraska to submit key data along with their tariffs by June 1, 2012 in this docket. This deadline is necessary to ensure an accurate and timely review of proposed rate reductions (and if applicable, rate structure changes) well in advance of the July 1, 2012 effective date. A proactive approach will help ensure that the Commission, its Staff and interested parties are able to conduct an orderly review of LEC tariff filings, which in turn will help minimize the filing of complaints after July 1. By directing that information be filed well in advance of the July 1 effective date, the Commission will put itself, Staff, and carriers in the best position to evaluate each LEC's information and to resolve any concerns before the new rates are required to take effect July 1.

[12] *USF/ICC Transformation Order*, para. 813.

If any LEC or CLEC has intrastate access rates that are already at parity with their interstate rates, then AT&T suggests the Commission direct those carriers to file a letter confirming that no change in their intrastate access rates is required as their intrastate terminating access rates are already at or below parity with their interstate access rates. This process will allow the Commission, its Staff and interested parties to track and account for all LECs operating in Nebraska to ensure compliance with the FCC's Order.

**2) The timeframe for the Commission's review of the tariff changes.**

**i. Should the Commission require the switched access tariff filings made pursuant to the FCC's Report and Order to be filed prior to the normal ten (10) day filing requirement?**

**AT&T Response:** Yes. Additional time will be needed by the Commission, Staff and industry participants to conduct a proper review of LEC filings.

**ii. If so, when should the Commission require tariff amendments to be filed?**

**AT&T Response**: All LECs and CLECs should be required to file their tariff amendments and supporting documentation on or before June 1, 2012.

**iii. Should the Commission provide additional notice of the switched access tariff amendments filed? If so, how should the Commission provide notice of these tariff amendments?**

**AT&T Response**: Yes. The Commission should post the filings and supporting documentation (or links to access them) on its website for access by other carriers wishing to review the filings and supporting documentation. In anticipation that some companies may deem their supporting documentation as confidential, AT&T requests that a Protective Order be issued in this docket to govern the confidential filing and review of access and traffic related data by any party that properly executes the Non-Disclosure Agreement.

**3) Whether supporting documentation should accompany the tariff changes, and if so, what should be filed;**

**AT&T Response**: Yes. AT&T recommends the Commission require each LEC to provide, the following information as part of the June 1 filing:

- Fiscal Year 2011[13] intrastate demand (volume) for intrastate access services (by rate element)
- All intrastate access rates in effect as of December 29, 2011.
- All interstate access rates in effect as of December 29, 2011.
- If the carrier's intrastate rate structure and the interstate rate structure are not the same, a full explanation of how the LEC will map its Fiscal Year 2011 intrastate demand for intrastate access services into its interstate rate structure to determine the interstate revenues used in the FCC mandated revenue reduction calculations. *See* 47 CFR §§ 51.907, 51.909, 51.911.
- A full description of the methodology the carrier will use to set reduced intrastate rates to reflect the calculated revenue reductions.
- A full description of the rate structure option that the carrier will utilize as of July 1, 2012 (if the carrier in fact currently has different intrastate and interstate rate structures for carrier access charges).[14]

On April 19, 2012, the FCC issued an order *In the Matter of Material to be Filed in Support of 2012 Annual Access Filings*, WCB/Pricing File No 12-08, DA 12-575.[15]

In this Order, the FCC provides practical guidance for both Price Cap and Rate-of-Return carriers regarding the information needed to be included in each carrier's tariff filings as a result of the new rules adopted in the FCC's *USF/ICC Transformation* Order.[16] Included with the Order are specific template spreadsheets to calculate and provide back up information needed to

[13] §51.903 – Definitions: (e) Fiscal Year 2011. Fiscal Year 2011 means October 1, 2010 through September 30, 2011.

[14] A carrier may elect to establish rates for Transitional Interstate Access Service using its intrastate access rate structure. Alternatively, a carrier may elect to apply its interstate access rate structure and interstate rates to Transitional Intrastate Access Service. See 47 CFR §51.907(b)(2) (iv) &(v) for price cap carriers; 47 CFR §51.909(b)(2)(iv) & (v) for rate- of-return carriers ; and 47 §51.911(b)(4) &(5).

[15] A copy of the order is attached. *See Exhibit A.*

[16] See *Connect America Fund et al.,* WC Docket No 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17633 (2011) (*USF/ICC Transformation Order*), pets. for review pending, *Direct Commc'ns Cedar Valley, LLC v. FCC,* No. 11-9581 (10th Cir. Filed Dec. 18, 2011)(and consolidated cases).

ensure compliance by each carrier.[17] Among the spreadsheet templates the FCC identified are two templates (one for rate-of-return carriers and one for price cap carriers) that are designed specifically to demonstrate carrier compliance with the intrastate access reductions, and which are the subject of the review process to be established by this Commission. These templates, which are consistent with the information identified by AT&T in its Comments, provide an efficient methodology for each carrier to submit the information needed to evaluate compliance. Therefore, AT&T recommends that the Commission require all LECs, including price cap carriers, rate of return carriers, and competitive carriers file, in excel spreadsheet format, the FCC-approved template for reporting the required information. Of course, while the completion of these templates will provide a significant amount of the information AT&T has identified as being necessary to review carriers' July 1, 2012 tariff reductions, if a carrier's intrastate rate structure and the interstate rate structure are not the same, each carrier will still need to provide a full explanation of how it will map its Fiscal Year 2011 intrastate demand for intrastate access services into its interstate rate structure to determine the intrastate revenue at the interstate rates component in the FCC mandated revenue reduction calculations. See 47 CFR §§51.907, 51.909, 51.911

For the convenience of the Commission and other carriers, AT&T has attached the relevant templates. *See Exhibits B & C.* In order to avoid any unnecessary confusion, AT&T has modified the templates to eliminate any information not relevant to the intrastate access

[17] Ordinarily, rate-of-return carriers that file tariffs based on projected costs and demand are required to file biennial access tariff service revisions (along with supporting data) to be effective on July 1 of even-numbered years (47 CFR §69.38(f)(1); while rate-of-return carriers that file tariffs based on historical costs and demand are required to file biennial access tariff service revisions (along with supporting data) to be effective on July 1 of odd-numbered years (47 CFR §69.38(f)(2). However, a rate-of-return carrier that elects to charge end users an Access Recovery Charge ("ARC"), will be required to file in 2012. ILECs subject to price cap regulation will need to file a Tariff Review Plan ("TRP") this year, consistent with the *LEC Price Cap Order (Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket 87-313, Order, 5 FCC Rcd 5235 (1992), *National Rural Telecom Ass'n v. FCC*, 988 F.2d 174 (D.C. Circuit 1993), See 47 CFR §69.3(h)

reduction calculation required by the FCC's Order. The price cap carrier template is also appropriate for Competitive LECs.

**i. If supporting documentation is needed should the documentation required differ based on whether the telecommunications company is an incumbent carrier or competitive carrier? Please explain.**

**AT&T Response**: No. The methodology for making the required July 1, 2012 reductions are the same for both incumbent and competitive LECs. The same data will be needed to verify the accuracy of the reductions made by each type of carrier.

**4) If the Commission determines that a telecommunications company's tariff changes are not consistent with FCC rules, what process should the Commission use to ensure compliance with new FCC rules?**

**AT&T Response**: To encourage all carriers to file this information, and to ensure the July 1 access reductions are implemented as the FCC Order intends, the Commission should declare a presumption that any carrier failing to file the data ordered by the Commission has failed to properly reform their intrastate access rates in accordance with the FCC's Order. As a result, all such carriers' intrastate access tariffs would be considered null and void as of July 1, 2012, pending a full investigation of the rates and supporting data. This approach was recently adopted by the Ohio PUC (Exhibit D), the Public Service Commission of Maryland (Exhibit E), as well as the Alabama Public Service Commission (Exhibit F), where the Commission ordered that local exchange companies who fail to file the requisite information on a timely basis would have their relevant tariffs deemed "unjust and unreasonable as of July 1, 2012," and would be prohibited from charging for intrastate intercarrier traffic compensation until they have commission-approved tariffs. (February 9, 2012, Ohio Order at ¶6.) This approach provides a strong incentive for all LECs to make all filings on time and in full compliance with the FCC Order.

5) **Should the Commission use its enforcement tools for any telecommunications company failing to file the required switch access reductions? Should this be enforced by the FCC? Please explain.**

**AT&T Response**: See response to Question No. 4.

Respectfully submitted,

AT&T Communications of the Midwest, Inc.
TCG Omaha

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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 8th day of May, 2012, an electronic copy of AT&T's Comments was delivered to:

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Loel P. Brooks

# Exhibit A

**Before the**
**Federal Communications Commission**
**Washington, D.C. 20554**

| | | |
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| In the Matter of | ) | |
| | ) | |
| Material to be Filed in Support of | ) | WCB/Pricing File No. 12-08 |
| 2012 Annual Access Tariff Filings | ) | |

**ORDER**

**Adopted: April 19, 2012** **Released: April 19, 2012**

By the Acting Chief, Pricing Policy Division:

## I. INTRODUCTION

1. In this Order, we set forth the Tariff Review Plans (TRPs) that are available for all incumbent local exchange carriers (ILECs) to use to support the annual revisions to the rates in their interstate access service tariffs.[1] The completion of the TRPs appended to this document will provide the supporting documentation to partially fulfill the requirements established in sections 61.41 through 61.49 of the Commission's rules, and the new requirements established in sections 51.700 through 51.715 and 51.901 through 51.919 of the Commission's rules.[2] The TRPs display basic data on rate development in a consistent manner, thereby facilitating review of the ILEC rate revisions by the Commission and interested parties.[3] The annual TRPs have served this purpose effectively for numerous years.

2. On November 18, 2011, the Commission released the *USF/ICC Transformation* Order,[4] which established a number of new rules requiring ILECs to adjust, over a period of years, many of their switched access charges effective on July 1 of each of those years, with the ultimate goal of transitioning to a bill-and-keep regime at the end of the transition.[5] The Commission also adopted a transitional recovery mechanism, including a new tariffed Access Recovery Charge (ARC), which is intended to partially mitigate the effect of reduced intercarrier revenues on carriers.[6]

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[1] The filing date and comment and reply comment periods were released earlier in a separate order. *See July 3, 2012 Annual Access Charge Tariff Filings*, WCB/Pricing File No. 12-07, Order, DA 12-482 (Wireline Comp. Bur., rel. Mar. 28, 2012).

[2] 47 C.F.R. §§ 61.41-61.49, 51.700-715 and 51.901-919.

[3] TRP formats for the annual filings are developed for the specific circumstances of the calendar year in which the revised rates will become effective. We refer to the TRPs discussed in this document as the 2012 TRPs.

[4] *See Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *pets. for review pending, Direct Commc'ns Cedar Valley, LLC v FCC*, No. 11-9581 (10th Cir. Filed Dec. 18, 2011)(and consolidated cases).

[5] *See USF/ICC Transformation Order*, 26 FCC Rcd at 17934-35, para. 801 (although many of the switched access rate elements are subject to the transition adopted, other rates are not being specifically reduced at this time.) *See also id.* at 18109-115, paras. 1297-1314 (seeking comment on the appropriate transition for rate elements not specifically addressed in the Order).

[6] *Id.* at 17988-94, paras. 906-916.

3. Rate-of-return ILECs subject to section 61.38 of the Commission's rules[7] are required to file access service tariff revisions this year, an even-numbered year,[8] and are required to submit supporting documentation with their tariff filings.[9] These carriers should file a TRP to support these revisions. Rate-of-return ILECs subject to section 61.39 of the Commission's rules[10] historically would not have been required to file access service tariffs this year, since they file revisions in odd-numbered years.[11] Pursuant to the *USF/ICC Transformation Order*, however, if a rate-of-return ILEC subject to section 61.39 of the Commission's rules elects to tariff and charge end users an ARC, that ILEC must file a TRP with the requisite supporting material to justify the ARC rate.[12]

4. Based on the Wireline Competition Bureau's (Bureau) experience in reviewing TRPs in prior years, the submission by price cap ILECs of the short form TRP on May 17, 2012, together with comments and reply comments by interested parties, will aid the Bureau in analyzing the annual demand and rate revisions to be filed in June 2012. Section II addresses a number of waiver issues related to the filing of the 2012 TRPs and supporting documentation. Section III describes the TRP for price cap ILECs and section IV addresses the TRP for rate-of-return ILECs.

## II. WAIVERS

### A. Short Form TRP

5. In both 2010 and 2011, the Bureau granted a waiver to all price cap ILECs from the requirement that they submit PCI-1[13] and IND-1[14] spreadsheets as part of the short form TRP.[15] On January 24, 2012, the United States Telecom Association (USTelecom) filed a request for the same waiver granted in the previous two years to be granted for the 2012 filing.[16] The USTelecom Petition states that all price cap ILECs would continue to file the EXG-1[17] spreadsheet and their exogenous work papers, but would not be required to submit the PCI-1 and IND-1 spreadsheets as part of their short form

[7] 47 C.F.R. § 61.38 (rate-of-return carriers that file tariffs based on projected costs and demand).

[8] *Id.* at § 69.3(f)(1).

[9] *Id.* at § 61.38(b).

[10] *Id.* at § 61.39 (rate-of-return carriers that file tariffs based on historical costs and demand).

[11] *Id.* at § 69.3(f)(2).

[12] *See USF/ICC Transformation Order*, 26 FCC Rcd at 17988-94, paras. 906-916; 47 C.F.R. § 51.917(e).

[13] The PCI-1 spreadsheet displays the calculation of the price cap indices for the price cap baskets.

[14] The IND1 spreadsheet displays the price cap indices, actual price indices, service band indices and the upper limits of those service band indices.

[15] Material to be Filed in Support of 2010 Annual Access Tariff Filings, WCB/Pricing File No. 10-04, 25 FCC Rcd 2872, 2873, para. 5 (Wireline Comp. Bur. 2010); Material to be Filed in Support of 2011 Annual Access Tariff Filings, WCB/Pricing File No. 11-05, 26 FCC Rcd 4938, 4939, para. 5 (Wireline Comp. Bur. 2011). In those orders, the Bureau also waived the requirement that price cap ILECs that have reached their Average Traffic Sensitive (ATS) rate be required to file the TGT-1 and TGT-2 spreadsheets as part of the short form TRP.

[16] *See* Petition of the United States Telecom Association for Waiver of Rule 61.49(k)'s Non-exogenous Cost Data Requirements for the Short Form Tariff Review Plan and for Waiver of Rule 61.49(k)'s Deadline for Filing the Exogenous Cost Data Requirements of the Short Form Tariff Review Plan, WC Docket No. 12-22 (filed January 24, 2012) (USTelecom Petition).

[17] The EXG1 spreadsheet displays various exogenous cost changes to the PCIs. It is described in more detail below.

TRPs.[18] By Public Notice issued January 27, 2012, we sought comment on the USTelecom Petition, and no comments were filed.[19] Accordingly, we grant the USTelecom Petition waiver for the 2012 filing. We conclude that a waiver is justified because we believe that the Commission and interested parties will continue to have the necessary information to review the annual access tariff filings because the carriers will submit the waived information as part of their long form TRPs. Accordingly, price cap ILECs will not be required to file the PCI-1 and IND-1 spreadsheets as part of the short form 2012 TRP. However, all price cap ILECs will still be required to file the EXG-1 spreadsheet and their exogenous work papers by May 17, 2012.

### B. Exogenous Costs

6. As an initial step in the transition to bill-and-keep outlined in the *USF/ICC Transformation Order*, the Commission adopted a cap on all interstate switched access rate elements.[20] In doing so, however, the Commission failed to address how carriers should recover a portion of any increases in certain exogenous costs for increases in the telecommunications relay service (TRS) fees, regulatory fees, or North American Numbering Plan administration (NANPA) fees. For price cap regulated ILECs, a portion of such increase would normally be recovered pursuant to the subscriber line charge (SLC), and if the SLC is at the maximum rate, pursuant to the presubscribed interexchange carrier charge (PICC) or the carrier common line charge (CCL).[21] Because the Commission in the *USF/ICC Transformation Order* instituted a cap on the PICC and CCL rates, price cap ILECs are unable to increase those rates to recover any increase in charges.[22] For rate-of-return regulated ILECs, a portion of the increase would normally be recovered through an increase in interstate switched access rates, but those interstate rates are also capped pursuant to the *USF/ICC Transformation Order*.[23]

7. In the *USF/ICC Transformation Order*, the Commission delegated to the Bureau and the Wireless Telecommunications Bureau the authority to revise and clarify rules as necessary to ensure that the reforms adopted in the order are properly reflected in the rules.[24] Accordingly, in this Order, we provide the following clarification regarding this specific exogenous cost issue. ILECs will be permitted to recover any increase in TRS, regulatory, or NANPA fees through the SLC, if they are below the maximum cap. For this purpose, we grant a limited waiver of sections 69.104 and 69.152 of the Commission's rules, to the extent the rules prohibit certain carriers from charging the maximum rate of $6.50 for a residential or single-line business subscriber line or $9.20 for a multi-line business subscriber line.[25] We also grant price cap LECs a limited waiver of section 69.152 to the extent that rule prohibits price cap carriers from charging the maximum rate of $7.00 for a non-primary residential subscriber line.[26] For the purposes of including an increase in a mandatory fee in the SLC, price cap carriers will be

[18] The USTelecom Petition also requested that price cap ILECs that have reached their ATS target, would not be required to file the TGT-1 and the TGT-2 spreadsheets from the Short Form TRP. USTelecom Petition at 2. Because we eliminate the TGT-1 and TGT-2 spreadsheets from the 2012 TRP, we conclude that this aspect of the waiver request is moot.

[19] *United States Telecom Association Petition for Waiver of Requirements in Section 61.49(k) of the Commission's Rules for the Short Form Tariff Review Plan*, WC Docket No. 12-22, Public Notice, DA 12-100 (Pricing Pol. Div., rel. Jan. 27, 2012).

[20] 47 C.F.R. §§ 51.907, 51.909.

[21] *Id.* at §§ 69.152-154.

[22] *USF/ICC Transformation Order*, 26 FCC Rcd at 17934, 17942, para. 801, 818 n. 1547; 47 C.F.R. § 51.907(a).

[23] *USF/ICC Transformation Order*, 26 FCC Rcd at 17934, para. 801; 47 C.F.R. § 51.909(a).

[24] *USF/ICC Transformation Order*, 26 FCC Rcd at 18149, para. 1404.

[25] 47 C.F.R. §§ 69.104 and 69.152.

[26] *Id.* at § 69.152.

permitted to raise the SLC to the maximum level permitted pursuant to sections 69.152(d)(1)(ii), 69.152(e)(1)(i), and 69.152(k)(1)(i) of the Commission's rules, and rate-of-return carriers will be permitted to raise the SLC to the maximum level permitted pursuant to sections 69.104(n)(1)(ii)(c) and 69.104(o)(1)(i) of the Commission's rules. However, if the carrier is already at the maximum SLC level, the carrier will be permitted to include that portion of increases in mandatory TRS, regulatory, or NANPA fees associated with a rate that is capped in their Eligible Recovery for the 2012 annual access charge tariff filing.[27]

## III. PRICE CAP TARIFF REVIEW PLAN

8. In the *LEC Price Cap Order*,[28] the Commission adopted price cap regulation for certain ILECs, effective January 1, 1991. Companies that currently file interstate access tariffs pursuant to the price cap rules include the ACS Companies; AT&T Services, Inc.;[29] CenturyTel Operating Companies; Cincinnati Bell Telephone Company; Consolidated Communications; Embarq Local Telephone Companies (Embarq LTC); the FairPoint Telephone Companies; Frontier Telephone Companies; Hawaiian Telecom, Inc.; Ilinois Consolidated Telephone Company; Micronesian Telecommunications Corp.; Puerto Rico Telephone Company; Qwest Corporation; the Verizon Telephone Companies; Virgin Island Telephone Company; and Windstream Telephone System. All companies that file pursuant to price cap regulation in the 2012 annual filing should also file the price cap TRPs outlined below and contained in the Appendix.

### A. Modifications to the Price Cap TRP

9. In the 2012 price cap annual access TRP, we adopt a number of changes to the 2011 TRP. We add new ARC[30] spreadsheets, Access Reduction spreadsheets, and Reciprocal Compensation spreadsheets. We also eliminate the TGT-1 and the TGT-2 spreadsheets.[31] The spreadsheets and workpapers are discussed in detail in Section B below.

10. The 2012 TRP requires those ILECs that price certain common line rate elements separately by jurisdiction within a study area to provide such individual rates instead of a roll up or average rate. These common line rate elements will be found in a separate form called the CAP-1J form.

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[27] A carrier's Eligible Recovery is the amount calculated under either section 51.915(d) or section 51.917(d) that a carrier is allowed to recover through the ARC or the Connect America Fund if the ARC is insufficient to recover the allowed amount. 47 C.F.R. §§ 51.915(d) or 51.917(d).

[28] *Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Order, 5 FCC Rcd 6786 (1990) (*LEC Price Cap Order*), *recon.*, 6 FCC Rcd 2637 (1991), *further recon.*, 6 FCC Rcd 4524 (1991), 7 FCC Rcd 5235 (1992), *National Rural Telecom Ass'n v. FCC*, 988 F.2d 174 (D.C. Cir. 1993).

[29] AT&T companies that will file TRPs include: Ameritech Operating Company; BellSouth Telephone Company; Nevada Bell Telephone Company; Pacific Bell Telephone Company; Southern New England Telephone (SNET); and Southwestern Bell Telephone.

[30] Section 69.3(a) of the Commission's rules limits the annual access charge tariff filing to rate level changes. However, for the purposes of allowing ILECs to include a new service charge, the ARC, in their 2012 annual access charge tariff filing, we find good cause to waive that requirement. *See* 47 C.F.R. § 69.3(a).

[31] We recognize that a few carriers are still reducing their average traffic sensitive (ATS) rates pursuant to various price cap transition orders. *See, e.g., CenturyTel, Inc., Petition for Conversion to Price Cap Regulation and Limited Waiver Relief*, WC Docket No. 08-191, 24 FCC Rcd 4677 (Wireline Comp. Bur. 2009) (requiring carriers to transition their ATS rate to $0.0065 as part of the conversion to price cap regulation). We conclude, however, that the transition for switched access rate elements adopted in the *USF/ICC Transformation Order* replaces the transition for ATS rates adopted in the various price cap conversion orders, and therefore, the TGT-1 and TGT-2 spreadsheets are no longer relevant to the TRP. *USF/ICC Transformation Order*, 26 FCC Rcd at 17934, para. 801.

11. In the 2012 TRP, companies will provide a worksheet listing services that have been removed from price caps, the tariff sections associated with such services, and the date and reason services were removed from price caps. We provide the format for the worksheet in the Excluded Service section in Part B below.

### B. TRP Spreadsheets and Workpapers

#### 1. ARC Spreadsheet

12. The ARC spreadsheet demonstrates the calculations necessary to arrive at an ARC rate for filing carriers. This is a new spreadsheet in the TRP created to comply with section 51.915(e) of the Commission's rules.[32]

#### 2. Access Reduction Spreadsheet

13. The Access Reduction spreadsheet identifies the rates that are required to be reduced pursuant to section 51.907(b)-(g) of the Commission's rules and calculates the amount of the reductions. The spreadsheets also show the calculation of a price cap ILEC's eligible recovery pursuant to section 51.915(d) of the Commission's rules. This is a new spreadsheet in the TRP created to comply with sections 51.907 (b)-(g) and 51.915(d) of the Commission's rules.[33]

#### 3. Reciprocal Compensation Spreadsheet

14. The Reciprocal Compensation spreadsheet demonstrates the calculations necessary to comply with section 51.705 of the Commission's rules and calculates the eligible recovery for reciprocal compensation rate reductions pursuant to section 51.915(d). This is a new spreadsheet in the TRP created to comply with section 51.705 and 51.915 (d) of the Commission's rules.[34]

#### 4. IND1 Spreadsheet

15. The IND1 spreadsheet displays price cap indices (PCIs), actual price indices (APIs), service band indices (SBIs), and upper SBI limits. It has been modified to remove the traffic sensitive and trunking baskets for the 2012 TRP. For the special access and interexchange baskets, to assist in verifying the historical indices reported in IND1, ILECs must continue to file a workpaper that identifies transmittals in which the current index levels became effective.

#### 5. CAP Spreadsheets

16. Price cap ILECs develop the End User Common Line Charge (EUCL), the Presubscribed Interexchange Carrier Charge (PICC), and Carrier Common Line (CCL) rates, the rates that recover common line, marketing and transport interconnection (CMT) revenue, on CAP-1, CAP-2, CAP-3, CAP-4, and CAP5. These forms are revised for the 2012 TRP to institute the pricing caps consistent with the *USF/ICC Transformation Order*.[35]

#### 6. PCI1 Spreadsheet

17. The PCI1 spreadsheet displays the calculation of the PCIs for the price cap baskets and includes the following data: (1) the Gross Domestic Product Price Index (GDP-PI) measuring inflation; (2) the productivity offset (X-Factor);[36] (4) the exogenous cost change (Z); (5) the base-year (calendar-

[32] 47 C.F.R. § 51.915(e).

[33] *Id.* at §§ 51.907 (b)-(g), 51.915(d).

[34] *Id.* at §§ 51.907, 51.915(d).

[35] *Id.* at § 51.907(a).

[36] The X-Factor is set pursuant to section 61.45 of the Commission's rules. *Id.* at § 61.45.

year 2011) revenue R for each basket; and (6) the weighting factor (w) used in computing the PCIs. These spreadsheets have been revised to remove the traffic sensitive and trunking baskets from these calculations.

**7. SUM1 Spreadsheet**

18. This is a summary spreadsheet displaying the revenues in baskets and categories. It displays the base-year (calendar year 2011) service demand multiplied by: (1) current rates; and (2) proposed rates. SUM1 is used to calculate the difference in revenues using base-year demand, under current and proposed rates. The SUM1 spreadsheet has been revised to remove the traffic sensitive and trunking baskets from these calculations.

**8. EXG Spreadsheets**

19. The EXG1 spreadsheet displays the exogenous cost changes to the PCIs attributable to any: (1) sale of exchanges; (2) FCC regulatory fees; (3) excess deferred taxes; (4) amortization of investment tax credits; (5) low end adjustment calculations; (6) fees associated with Telecommunications Relay Service; (7) changes in the allocation of costs between regulated and unregulated activities; (8) NANPA expenses; (9) removal of thousand block number pooling; and (10) other exogenous cost changes the ILECs may file. The EXG1 spreadsheet has been revised to remove the traffic sensitive and trunking baskets from these calculations.

20. The EXG2 spreadsheet displays the net exogenous shifts related to bands and zones. This spreadsheet has been revised to include only the special access basket in the calculations.

**9. Combined Indices**

21. The TRP includes a subprogram or switch that allows companies to combine several study areas for purposes of calculating common line basket and service band indices.[37] Thus, companies may file different tariffed rates while combining indices across all study areas for maintaining headroom, the difference between maximum allowable revenues (PCI revenues) and forecasted revenues (API revenues). These spreadsheets have been revised to remove the common line, traffic sensitive, and trunking baskets.

**10. RTE1 Spreadsheets**

22. These spreadsheets display information used to compute the APIs, SBIs, and upper SBI limits. They display calendar year 2011 demand, current rates, proposed rates, and revenues computed by multiplying the 2011 demand by current and proposed rates. The RTE1 spreadsheets enable the Commission to verify the accuracy of "R," the revenue variable in the PCI formula that equals base period (2011) demand multiplied by rates. Demand and price data are reported in the aggregate under the primary rate elements of each category. The level of aggregation in the RTE1 spreadsheets allows rapid, consistent verification of index calculations across all companies. These spreadsheets have been revised to remove the traffic sensitive and trunking baskets.

**11. Rate Detail Spreadsheet**

23. In their previous annual filings, ILECs provided a spreadsheet that gave complete rate element detail, *i.e.*, demand, existing rates, and proposed rates for each rate element subject to price caps. ILECs should again file this spreadsheet with their 2012 annual access tariff filing. We leave unspecified the exact format of the rate detail spreadsheet because each price cap ILEC has a different number of rate elements. For each rate element, however, ILECs should display the rate element name, jurisdiction, base period demand, current rates, and proposed rates. ILECs may also include a rate identifying code. The

[37] This switch in the program would apply, for example, to Verizon and Embarq LTC, which have submitted TRPs where basket indices and service bands have been aggregated even though some study area tariffs have been kept separated.

revenue amounts for baskets and categories should be totaled to assist in verifying the agreement between this form and the revenue amounts in RTE1. The variation in the number of rate elements among ILECs prevents us from specifying the row numbers, but each row of this form should correspond to only one rate element. The rows should reflect the basket and service category sequence used in RTE1. There are no revisions to this spreadsheet.

### 12. Services Excluded from Price Caps

24. For the 2012 filing, we request that companies provide a list of services that are tariffed, but are excluded from price caps. The list should identify the tariff section containing each service. Rate element details must be provided for the following categories: Special Construction/ICBs; Packet Services (e.g., ATM, Frame Relay); End User Charges (*e.g.*, USF charges, LNP); Government Services (*e.g.*, FTS); Miscellaneous/Other (*e.g.*, engineering services); and services that were in price caps but have been removed (*e.g.*, interexchange services, special access). ILECs do not have to include the services removed pursuant to the *USF/ICC Transformation Order* in this list. For the remaining services included in the list, ILECs must indicate the authority relied on to remove the service. The ILEC must identify the major service and indicate whether the rate is recurring or non-recurring. ILECs must clearly state in their cover letter where this information can be found in their TRP.

### C. Miscellaneous

25. In addition to the above specifications, price cap ILECs must include with their support materials a list of all currently applicable Part 69 waivers. The list should include the following information: (1) a citation to the Commission or Bureau order granting the waiver; (2) a brief description of the waiver, including whether any new rate elements were authorized; and (3) the basket and, if applicable, service category of each rate element affected by the waiver.

## IV. RATE-OF-RETURN TARIFF REVIEW PLAN

### A. Modifications to the Rate-of-Return TRP

26. In the 2012 rate-of-return TRP, we adopt significant modifications to the 2011 rate-of-return TRP in order to implement the *USF/ICC Transformation Order*. These modifications are noted in the forms and workpapers. The TRP for rate-of-return carriers is contained in the Appendix.

27. For special access and common line services, the 2012 rate-of-return TRP will be similar to the TRP in previous years. However, for switched access services, ILECs regulated pursuant to section 61.38 and 61.39 of the Commission's rules must complete an ARC spreadsheet (if the ILEC elects to charge an ARC), an Access Reduction spreadsheet and a Reciprocal Compensation spreadsheet. The ARC spreadsheet will be the same as the spreadsheet filed by the price cap ILECs described in paragraph 12 above. The Access Reduction spreadsheets and the Reciprocal Compensation spreadsheet will be different than the price cap Access Reduction spreadsheet, in order for the rate-of-return carriers to comply with sections 51.909(b)-(g) of the Commission's rules.[38] Similarly, the Reciprocal Compensation spreadsheet will be different than the price cap Reciprocal Compensation spreadsheet in order for rate-of-return carriers to comply with section 51.705 of the Commission's rules and to calculate eligible recovery for reciprocal compensation rate reductions pursuant to section 51.917(d) of the Commission's rules.[39]

### B. General Guidelines Applicable to NECA

28. We have not adopted a TRP for the National Exchange Carrier Association (NECA), although NECA should refer to the rate-of-return TRP for guidance on the level of support materials to provide in its annual filing. As in the past, NECA should provide: (1) earnings data for special access

[38] 47 C.F.R. § 51.909(b)-(g).

[39] *Id.* §§ 51.705, 51.917(d).

services using the ERN-1 format; and (2) average schedule company settlements using the COS-1 format.

## V. GENERAL INSTRUCTIONS

29. The following general instructions apply to all ILECs. These instructions pertain to the TRPs and other documentation filed in support of access charges.

### A. Revised TRPs

30. If ILECs file to revise their TRP after June 18, 2012, the TRP should be refiled in its entirety, rather than just the parts of the TRP that are changed. The latest TRP filed becomes the TRP of record. Other parts of the original filing, *e.g.*, portions of the explanations, description and justification, and workpapers, may be omitted if unchanged by the revision.

### B. Certification

31. The filing of inaccurate or incomplete data may seriously detract from the ability of the Commission and interested parties to evaluate the revised rates. All ILECs must certify that their historical and forecast data are accurate by including a signed statement that the support data are true, correct, and complete to the best of the carrier's knowledge. This certification will apply to all data submitted in support of revised rates, including the data that are filed in the TRP. The text of the certification is the same as that adopted in the *1987 Waiver Order*.[40] The certification should be displayed as the last page in the filing containing each company's TRP. ILECs are also under a continuing legal obligation to correct any inaccurate or incomplete data subsequently discovered in the TRP or other support data.[41]

### C. Compliance with the Paperwork Reduction Act

32. This order contains modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. It has been submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the PRA. OMB, the general public, and other Federal agencies are invited to comment on the new or modified information collection requirements contained in this proceeding. In addition, we note that pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), we previously sought specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees.

33. In this order, we have assessed the effects of filing the TRP on ILECs and believe we have minimized the burden to the extent possible. We minimize the regulatory burden on the ILECs by deleting obsolete sections of the TRP that have not proved useful, and carriers need not file historical data that have been filed in previous years.

## VI. ORDERING CLAUSES

34. Accordingly, IT IS ORDERED that, pursuant to sections 1, 4 (i) and (j), 201-209, of the Communications Act, as amended, 47 U.S.C. §§ 151, 154(i), (j), 201-209, and pursuant to authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, this order IS HEREBY ADOPTED as described above.

35. IT IS FURTHER ORDERED that, pursuant to section 1.3 of the Commissions rules, 47 C.F.R. § 1.3, and pursuant to authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, sections 69.104 and 69.152 of the Commission's rules, 47 C.F.R. §§ 69.104,

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[40] *Annual 1987 Access Tariff Filings*, Petitions for Waivers of Filing Requirements, Mimeo No. 6945 (rel. Sept. 16, 1986) (*1987 Waiver Order*).

[41] *See* 47 C.F.R. § 1.17 (establishing requirement for truthful and accurate statements in Commission matters, including "any tariff proceeding").

69.152, ARE WAIVED for the purpose specified in paragraph 7, *supra*.

36. IT IS FURTHER ORDERED that, pursuant to section 1.3 of the Commissions rules, 47 C.F.R. § 1.3, and pursuant to authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, section 61.49(k) of the Commission's rules, 47 C.F.R. § 61.49(k), IS WAIVED for the purpose specified in paragraph 5, *supra*.

37. IT IS FURTHER ORDERED that, pursuant to section 1.3 of the Commissions rules, 47 C.F.R. § 1.3, and pursuant to authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, section 69.3(a) of the Commission's rules, 47 C.F.R. § 69.3(a), IS WAIVED for the purpose specified in paragraph 9, *supra*.

FEDERAL COMMUNICATIONS COMMISSION

Victoria S. Goldberg
Acting Chief, Pricing Policy Division
Wireline Competition Bureau

# Appendix

## Tariff Review Plans

**Price Cap Short Form TRP**

http://www.fcc.gov/wcb/ppd/shortformTRP-2012.xlsm

**Price Cap Long Form TRP**

http://www.fcc.gov/wcb/ppd/longformTRP-2012

**Rate of Return Form TRP**

http://www.fcc.gov/wcb/ppd/RORTRP-2012

# Exhibit B

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| 1 | Filing Date: | | | | | | | |
| 2 | Filing Entity: | | | | | | | |
| 3 | Transmittal Number: | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | TY 2012-2013 Eligible Recovery | | | | | | | |
| 8 | | Interstate | Intrastate | Net Rec. Comp. | TRS Increment | Regulatory-Fees Increment | NANPA Increment | Total |
| 9 | COSA | 2012 RoR ILEC Interstate Rates, cell F11 | 2012 RoR ILEC Intrastate Rates, cell G10 | 2012 RoR ILEC Rec. Comp. Rates, cell E9 | Input | Input | Input | B+C+D+E+F+G |
| 10 | | #REF! | 0 | #REF! | | | | #REF! |
| 11 | | | | | | | | 0 |
| 12 | | | | | | | | 0 |
| 13 | | | | | | | | 0 |
| 14 | | | | | | | | 0 |
| 15 | | | | | | | | 0 |
| 16 | | | | | | | | 0 |
| 17 | | | | | | | | 0 |
| 18 | | | | | | | | 0 |
| 19 | | | | | | | | 0 |
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| 23 | | | | | | | | 0 |
| 24 | | | | | | | | 0 |
| 25 | | | | | | | | 0 |
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| 28 | | | | | | | | 0 |
| 29 | | | | | | | | 0 |
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| 31 | | | | | | | | 0 |
| 32 | | | | | | | | 0 |
| 33 | | | | | | | | 0 |
| 34 | | | | | | | | 0 |
| 35 | | | | | | | | 0 |
| 36 | | | | | | | | 0 |
| 37 | | | | | | | | 0 |
| 38 | | | | | | | | 0 |
| 39 | | | | | | | | 0 |
| 40 | | | | | | | | |
| 41 | Total Eligible Recovery | | | | | | | #REF! |

| | |
|---|---|
| 1 | Filing Date: |
| 2 | Filing Entity: |
| 3 | Transmittal Number: |
| 4 | COSA: |
| 5 | |
| 6 | |

| | | | |
|---|---|---|---|
| 7 | Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements | Sum of Col. O | 0 |
| 8 | 95% of Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements | Sum of Col. P | 0 |
| 9 | Total FY 2012-2013 Expected Maximum Transitional Intrastate Access Service Revenue | Sum of Col. R | 0 |
| 10 | Total FY 2012-2013 Intrastate Eligible Recovery | Sum of Col. S | 0 |
| 11 | | | |
| 12 | | | |

| 13 | Intrastate Tariff Section | Interstate Tariff Section | USOC | Intrastate and Interstate Switched Access Rate Elements for Transitional Intrastate Access Service Categories | Unit of Demand (e.g., MOU or DS3) | 12/29/2011 Intrastate Rate | 12/29/2011 Interstate Rate | FY 2011 Intrastate Units: Terminating for Non-Dedicated or Originating and Terminating for Dedicated Elements | Intrastate Price-Out with 12/29/2011 Rates and FY 2011 Units | Interstate Price-Out with 12/29/2011 Rates and FY 2011 Units | 90% of Price Out Difference | 7/1/2012 Proposed Intrastate Rate | Intrastate Price-Out with Proposed Rates and FY 2011 Units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 14 | Input | Input | Input | Input (Note 1) | Input | Input | Input | Input | F*H | G*H | .9*(I-J) | Input | L*H |
| 15 | | | | ** TERMINATING END OFFICE ACCESS SERVICE ** | | | | | | | | | |
| 16 | | | | Termination Carrier Common Line | | | | | | | | | |
| 17 | | | | | | | | | | | | | |
| 18 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 19 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 20 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 21 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 22 | | | | Termination Local Switching | | | | | 0 | 0 | 0 | | 0 |
| 23 | | | | | | | | | | | | | |
| 24 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 25 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 26 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 27 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 28 | | | | Termination Other (e.g., Information Surcharge, Transport or Residual Interconnection Charges) | | | | | 0 | 0 | 0 | | 0 |
| 29 | | | | | | | | | | | | | |
| 30 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 31 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 32 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 33 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 34 | | | | ** TERMINATING TANDEM-SWITCHED TRANSPORT ACCESS SERVICE ** | | | | | | | | | |
| 35 | | | | Termination Tandem-Switched Common Transport | | | | | | | | | |
| 36 | | | | | | | | | | | | | |
| 37 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 38 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 39 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 40 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 41 | | | | Termination Tandem Switching | | | | | 0 | 0 | 0 | | 0 |
| 42 | | | | | | | | | | | | | |
| 43 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 44 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 45 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 46 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 47 | | | | ** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE ** | | | | | | | | | |
| 48 | | | | Originating and Terminating Entrance Facilities | | | | | | | | | |
| 49 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 50 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 51 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 52 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 53 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 54 | | | | Originating and Terminating Tandem-Switched Dedicated Transport | | | | | | | | | |
| 55 | | | | | | | | | | | | | |
| 56 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 57 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 58 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 59 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 60 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 61 | | | | Originating and Terminating Direct-Trunked Transport | | | | | | | | | |
| 62 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 63 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 64 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 65 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 66 | | | | | | | | | 0 | 0 | 0 | | 0 |
| 67 | Total | | | | | | | | 0 | 0 | 0 | | 0 |
| 68 | | | | | | | | | | | | | |
| 69 | | | | | | | | | | | | | |
| 70 | Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary. | | | | | | | | | | | | |

# Exhibit C

Filing Date (enter w/leading '):
Holding Company
Filing Name:

Study Area (USAC Study Area Code):

ACCESS REDUCTION TRP (ACCREDTRP)

| | |
|---|---|
| Intrastate Demand PriceOut with Intrastate Rates | $ - |
| Intrastate Demand PriceOut with Interstate Rates | $ - |
| 80% of the reduction in Transitional Intrastate Access Revenues determined pursuant to 61.907(b)(2) | $ - |

( Note: before adjusting by Traffic Demand and CALLS Base Factors)

| Tariff Section Interstate | Tariff Section Intrastate | USOC | Rate Element | 12/29/2011 Intrastate Rates (A) | 12/29/2011 Interstate Rates (B) | Intrastate Oct '10 - Sep '11 Demand (D) | Intrastate Demand PriceOut Intrastate Rates (E) = A * D | Intrastate Demand PriceOut Interstate Rates (F) = B * D | 80% of PriceOut Difference (G)=(F-E)*80% | 7/1/2012 Proposed Terminating Rates (H) = INPUT | PriceOut w 7/1/2012 Prop Rates (I) = H * D | Difference (J) = I - E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | ** CARRIER COMMON LINE ** | | | | | | | | | |
| X.X-A | X.X-A | | CCL PREM - TERMINATING | $0.000000 | | - | $ - | | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | CCL NPREM - TERMINATING | $0.000000 | | - | $ - | | $ - | $ - | $ - | $ - |
| | | | ** LOCAL SWITCHING SERVICE CATEGORY ** | | | | | | | | | |
| X.X-A | X.X-A | | LOCAL SWITCHING(LS1) PREM TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | LOCAL SWITCHING(LS2) PREM TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | TRANSITIONAL(LS) NPREM TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | NONRECURRING | | | | | | | | | |
| X.X-A | X.X-A | | TRUNK CONVERSION CHARGE | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | END OFFICE TO TANDEM REARRANGEMENT | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | LOCAL SWITCHING OPT. FEAT. NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | ** LOCAL SWITCHING TRUNK PORT CATEGORY ** | | | | | | | | | |
| X.X-A | X.X-A | | DS0 END OFFICE TRUNK PORTS | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DS1 END OFFICE TRUNK PORTS | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | COMMON TRUNK PORT TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | ** TANDEM SWITCHED TRANSPORT SERVICE CATEGORY ** | | | | | | | | | |
| X.X-A | X.X-A | | TANDEM SW TERM. TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | TANDEM SW FACILITY TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | TANDEM SWITCHING TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | COMMON TRANSPORT MUX TERMINATING | $0.000000 | $0.000000 | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DED. MUX-DS3 TO DS1 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DS0 TANDEM TRUNK PORTS | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DS1 TANDEM TRUNK PORTS | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | ** VG/WATS SERVICE CATEGORY SWITCHED** | | | | | | | | | |
| | | | VG DTT/EF NonDensity Zone | | | | | | | | | |
| X.X-A | X.X-A | | ENTR. FACILITY - VOICE 2-WIRE | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | ENTR. FACILITY - VOICE 4-WIRE | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK FIXED - VOICE | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK PER MILE - VOICE | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | NONRECURRING | | | | | | | | | |
| X.X-A | X.X-A | | ENTR. FACILITY - VOICE NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | SW TRSPT INSTALL PER LINE OR TRUNK | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | ** HIGH CAP & DDS SERVICE CATEGORY SWITCHED** | | | | | | | | | |
| | | | DS1, DTT/EF | | | | | | | | | |
| X.X-A | X.X-A | | ENTR. FAC.-DS1 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK FIXED - DS1 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK PER MILE - DS1 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | MUX - DS1 TO VOICE | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | DS1 NONRECURRING - SWITCHED | | | | | | | | | |
| X.X-A | X.X-A | | ENTR. FACILITY - DS1 NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | MUX - DS1 TO VOICE NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | DS3, DTT/EF | | | | | | | | | |
| X.X-A | X.X-A | | ENTR. FAC.-DS3 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK FIXED - DS3 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK PER MILE - DS3 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | MUX - DS3 TO DS1 | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | ENTR. FACILITY - DS3 NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | ENTR. FACILITY - DS3 W/ TERM EQIP REARR | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | MUX - DS3 TO DS1 NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | STS1, DTT/EF | | | | | | | | | |
| X.X-A | X.X-A | | ENTR. FAC.-STS1 | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK FIXED - STS1 | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | DIRECT TRNK PER MILE - STS1 | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | MUX - STS1 TO DS1 | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | ENTR. FACILITY - STS1 NRC | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |
| X.X-A | X.X-A | | ENTR. FACILITY - STS1 W/ TERM EQIP REARR | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - |

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| X.X-A | X.X-A | MUX - STS1 TO DS1 NRC | $ | - | $ | - | [redacted] | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | [redacted] |
| | | **OptiPoint 3 DTT/EF Density** | | | | | | | | | | | | | | | | | | | | | |
| X.X-A | X.X-A | OPTIPOINT3-ENTR FAC-DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3-DIRECT TRUNK FIXED | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3-DIRECT TRUNK PER MILE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3 - CONFIGURATION NODE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3- CONFIGURATION CARD-STS1 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3- CONFIGURATION CARD-DS1 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3- CONFIGURATION CARD-DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3- CONFIGURATION CARD-OC3C | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3- CONFIGURATION CARD-STS1 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| | | **OptiPoint 12 DTT/EF Density** | | | | | | | | | | | | | | | | | | | | | |
| X.X-A | X.X-A | OPTIPOINT12-ENTR FAC-DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12-DIRECT TRUNK FIXED | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12-DIRECT TRUNK PER MILE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12 - CONFIGURATION NODE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- CONFIGURATION CARD-STS1 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- CONFIGURATION CARD-DS1 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- CONFIGURATION CARD-DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- CONFIGURATION CARD-OC3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- CONFIGURATION CARD-OC3C | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- CONFIGURATION CARD-OC12C | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| | | **OptiPoint 48 DTT/EF Density** | | | | | | | | | | | | | | | | | | | | | |
| X.X-A | X.X-A | OPTIPOINT48-ENTR FAC-DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48-DIRECT TRUNK FIXED | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48-DIRECT TRUNK PER MILE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48 - CONFIGURATION NODE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- CONFIGURATION CARD- STS1 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- CONFIGURATION CARD- DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- CONFIGURATION CARD- OC3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- CONFIGURATION CARD- OC12 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- CONFIGURATION CARD- OC3C | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- CONFIGURATION CARD- OC12C | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| | | **OptiPoint, Non-Density Zone Switched:** | | | | | | | | | | | | | | | | | | | | | |
| X.X-A | X.X-A | OPTIPOINT3- REGENERATION CHARGE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12- REGENERATION CHARGE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48- REGENERATION CHARGE | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT- SERVICE UPGRADE - PER DS1 OR DS3 | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3 - OPTICAL SERVICE CHARGE - NRC | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12 - OPTICAL SERVICE CHARGE - NRC | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT48 - OPTICAL SERVICE CHARGE - NRC | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT3-ENTR FAC-DS3 - NRC | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT12-ENTR FAC-DS3 - NRC | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| X.X-A | X.X-A | OPTIPOINT RECONFIGURATION CHARGE PER DS3 EQUIV | $ | - | $ | - | | $ | - | $ | - | $ | - | $ | - | $ | - | $ | - | |
| | | | | | | | | $ | - | $ | - | $ | - | | | $ | - | $ | - | |
| | | End Office Revenue | | | | | | | | | | | | | | | | | | |
| | | Tandem Switched Revenue | | | | | | $ | - | $ | - | $ | - | | | | | $ | - | |
| | | Dedicated Switched Revenue | | | | | | $ | - | $ | - | $ | - | | | | | $ | - | |
| | | | | | | | | $ | - | $ | - | $ | - | | | | | $ | - | |
| | | **Reciprocal Compensation Equivalent Interstate rate Detail** | | | | | | $ | - | $ | - | $ | - | | | | | $ | - | |
| | | End Office with Port/Mux | | | $ | - | | | | | | | | | | | | | | |
| | | Tandem Switching | | | $ | - | | | | | | | | | | | | | | |
| | | Tandem Switched | | | $ | - | | | | | | | | | | | | | | |
| | | Ports & Mux | | | | | | | | | | | | | | | | | | |

# Exhibit D

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

| | | |
|---|---|---|
| In the Matter of the Commission's Investigation into Intrastate Carrier Access Reform Pursuant to Sub. S.B. 162. | ) ) ) ) | Case No. 10-2387-TP-COI |

ENTRY

The Commission finds:

(1) On June 13, 2010, the governor of the state of Ohio signed into law Substitute Senate Bill 162 (Sub. S.B. 162), which revises state law as it pertains to the provision of telecommunications services. Among other things, Sub. S.B. 162 provides that the Commission may order changes in a telephone company's rates for carrier access within Ohio. The effective date of Sub. S.B. 162 was September 13, 2010.

(2) By Entry of November 3, 2010, (November 3 Entry) the Commission initiated this docket for the purpose of opening a generic investigation into intrastate carrier access reform as authorized by Sub. S.B. 162.

In its November 3 Entry, the Commission described that carrier access charges are charges assessed by local exchange carriers to providers of telephone toll service for access to the local telephone network and are intended to recover a portion of the cost of the local telephone facilities. Additionally, the Commission recognized that carrier access charges comprise a significant portion of the revenue received by small incumbent local exchange carriers (ILECs), as well as three mid-sized ILECs: Windstream Ohio, Inc. and Windstream Western, Inc. (collectively, Windstream) and CenturyTel of Ohio, Inc. dba CenturyLink (CenturyLink). The Commission explained how it has received complaints, both formal and informal, from providers of telephone toll service that the carrier access rates that they were being assessed are excessive. The Commission noted that during this time frame, the ILECs listed above have also experienced a precipitous decline in access minutes of use for which they assess carrier access charges, thus eroding a significant pillar of their financial support.

(3) The November 3 Entry set forth a Commission staff proposal (Staff Proposal) regarding an access restructuring plan and a series of

questions pertaining to the proposed plan that would reduce certain ILEC (i.e., small ILECs, Windstream, and CenturyLink) access charges and allow those ILECs to recoup the revenues lost from the access reductions through an intrastate Access Recovery Fund.[1] Additionally, the Staff drafted two data requests (attached as Appendices C and D, Entry of November 3, 2010), that it proposed be issued. The Commission invited all stakeholders and other interested parties to provide responses to the questions posed in Appendix B and to provide any additional comments regarding the proposed plan and proposed data requests.

(4) On November 18, 2011, the Federal Communications Commission (FCC) released its Report and Order and Further Notice of Proposed Rulemaking (Report and Order) in WC Docket No. 07-135 et al., *In the Matter of Establishing Just and Reasonable Rates for Local Exchange Carriers.* In its Report and Order, the FCC adopted a transitional intercarrier compensation restructuring framework for both intrastate and interstate telecommunications traffic exchanged with a local exchange carrier, which will ultimately result in bill and keep.

During the first phase of the its intercarrier compensation restructuring, the FCC directed that for price cap carriers, rate-of-return carriers, and certain competitive local exchange carriers (CLECs) (i.e., those that benchmark rates to price cap or rate-of-return carriers) with intrastate terminating switched end office and transport rates, originating and dedicated transport rates, and reciprocal compensation rates that are above the carrier's interstate access rates, the respective intrastate rates must be reduced by 50 percent of the differential between the rate and carrier's interstate access rates by July 1, 2012.

(5) In order to allow for the timely review and implementation of the requisite reductions, the Commission directs all affected ILECs to file, in this docket, the appropriate application on or before March 21, 2012, and all affected CLECs to file the appropriate application on or before April 4, 2012. The applications should satisfy the criteria set forth in 47 C.F.R. 51.907, 51.909 and 51.911 for price cap and rate-of-return ILECs and CLECs, respectively. All

---

[1] Pursuant to the June 28, 2001, Opinion and Order, Case No. 00-127-TP-COI, *In the Matter of the Commission's Investigation into the Modification of Intrastate Access Charges,* AT&T Ohio, Cincinnati Bell, Verizon North (nka Frontier North), and Embarq (nka CenturyLink) were ordered to reduce intrastate access rates to parity with their interstate access rates.

applications shall include supporting calculations for the proposed transitional intrastate access rates. The current intrastate access rates will remain in effect through June 30, 2012. Unless suspended by the Commission, the new intercarrier compensation rates shall be automatically effective beginning on July 1, 2012, subject to a true-up to the extent that the Commission subsequently determines that the submitted rates require modification. Applications suspended by the Commission will be subject to a true-up as of July 1, 2012, once approved. For those local exchange companies that fail to file the requisite application on a timely basis, the applicable effective intercarrier compensation rates will be deemed as unjust and unreasonable as of July 1, 2012, and such carriers will be prohibited from charging for intrastate intercarrier traffic until they have Commission approved tariffs.

(6) To the extent that an ILEC or CLEC seeks confidential treatment of portions of the information supporting its application, the appropriate motion should be filed pursuant to Rule 4901-1-24, Ohio Administrative Code. Interested entities should enter into the necessary protective agreements to the extent that there is interest in reviewing information that has been designated as being confidential.

It is, therefore,

ORDERED, That each affected ILEC and CLEC should file an application to amend its tariff in accordance with Finding (5). It is, further,

ORDERED, That the tariff amendment applications shall be effective in accordance with Finding (5). It is, further,

ORDRED, That, in accordance with Finding (5), those ILECs and CLECs that fail to file the requisite application to amend their intercarrier compensation rates will be prohibited from charging for intrastate intercarrier traffic effective July 1, 2012. It is, further,

ORDERED, That a copy of this entry be served via the Commission's telephone industry electronic mail listserve, upon all ILECs, all competitive local exchange carriers, all providers of telephone toll service, all wireless service providers registered with the Commission, the office of the Ohio Consumers' Counsel, and all other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Todd A. Snitchler, Chairman

Paul A. Centolella

Steven D. Lesser

Andre T. Porter

Cheryl L. Roberto

JSA/dah

Entered in the Journal
FEB 29 2012

Barcy F. McNeal
Secretary

# Exhibit E

COMMISSIONERS

DOUGLAS R. M. NAZARIAN
CHAIRMAN

HAROLD D. WILLIAMS
LAWRENCE BRENNER
KELLY SPEAKES-BACKMAN
W. KEVIN HUGHES

STATE OF MARYLAND

# PUBLIC SERVICE COMMISSION

**March 29, 2012**

## NOTICE OF REQUIRED TARIFF FILINGS

**To: All Maryland Regulated Facilities-Based Local Exchange Carriers**

By Federal Communications Commission ("FCC") Order # FCC 11-161, dated December 29, 2011, the FCC established a framework to migrate tariff charges for switched access to a bill-and-keep régime over several years. As part of the phase-in, carriers are required to reduce certain intrastate switched access rates to half the difference between their intrastate and interstate switched access rates. In the Order, the FCC determined that state tariff filings are an appropriate method to bring charges into compliance with the Order.

Pursuant to 47 C.F.R. §51.907 and §51.911 as revised in the FCC's Order, the first reduction in access rates must occur by July 1, 2012. In order to ensure that tariff filings can be accepted on time, the Commission is requiring facilities based local exchange carriers to file no later than May 1 2012, tariff revisions that are consistent with the FCC Order and with a proposed effective date of July 1, 2012.

Through the same Order, the FCC also determined that all IP related traffic, intrastate or otherwise, would be henceforth charged at interstate rates, and that such rates should be implemented through intrastate tariff filings. While the FCC established December 29, 2011 as the effective date of these new rates, the FCC did not establish a date by which all intrastate tariff filings should be updated.

In order to ensure compliance with the FCC Order, the PSC is requiring that carriers file revisions to intrastate tariffs reflecting implementation of the IP traffic provisions by July 1, 2012.

Failure to comply with this mandate will result in your company being out of compliance with both the FCC Order and applicable provisions of the Maryland Annotated Code, Public Utilities Article. If appropriate tariffs, consistent with federal and state law are not filed as set forth in this letter, carriers will be unable to lawfully charge for intrastate access traffic until such time as the PSC accepts for filing appropriate tariff revisions.

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806
410-767-8000 • Toll Free: 1-800-492-0474 • FAX: 410-333-6495
MDRS: 1-800-735-2258 (TTY/Voice) • Website: www.psc.state.md.us

If you have any questions about these requirements, please contact Juan Alvarado at (410) 767-8044 or Carlos Candelario at (410) 767-8053.

Tariff filings should be addressed to David J. Collins, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, 16th Floor, Baltimore, Maryland 21202.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Executive Secretary

Questions regarding this matter may be directed to Andrew Showers (ashowers@pa.gov; 717-214-2186), Derek Vogelsong (devogelson@pa.gov; 717-787-3861), or Joe Spandra (jospandra@pa.gov; 717-787-6489) of the Commission's Bureau of Technical Utility Services.

Sincerely,

Rosemary Chiavetta
Secretary

# Exhibit F

**STATE OF ALABAMA**
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

LUCY BAXLEY, PRESIDENT
TWINKLE ANDRESS CAVANAUGH, ASSOCIATE COMMISSIONER
TERRY L. DUNN, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

| | | |
|---|---|---|
| **In Re:** | ) | |
| | ) | |
| **Alabama's Incumbent Local Exchange Carriers – Intercarrier Compensation** | ) | **Docket 28642 and 31816** |
| | ) | |

**Order Implementing Intercarrier Compensation Reform and Addressing Treatment of TSF Revenues by Incumbent Local Exchange Carriers**

**BY THE COMMISSION:**

## I. Introduction and Background

For decades, telecommunications carriers have debated the extent to which such carriers should be allowed to recoup compensation for any part of their network facilities accessed by other telecommunications carriers for purposes of origination, and/or transport, and/or termination of telecommunications services. The compensation at issue is generally referred to in the telecommunications arena as Intercarrier Compensation ("ICC") and has been the subject of many state and federal regulatory proceedings. The national debate regarding ICC took a significant turn on March 16, 2010, when the Federal Communications Commission ("FCC") unveiled its National Broadband Plan ("NBP") which creates a framework for establishing and ensuring broadband accessibility across the nation. Recommendation 8.14 of the NBP addresses intercarrier compensation as follows:[1]

---

[1] *"Connecting America. The National Broadband Plan,"* www.broadband.gov, FCC, March 16, 2010.

> "The FCC should continue reducing ICC rates by phasing out per-minute rates for the origination and termination of telecommunications traffic. The elimination of per-minute above-cost charges should encourage carriers to negotiate alternative compensation arrangements for the transport and termination of voice and data traffic."
>
> "To begin turning this roadmap into reality, the FCC will embark on a series of rulemakings to seek public comment and adopt rules to implement this reform. Although these proceedings will need to make specific decisions on implementation details, this plan sets forth a clear vision for the end state we seek to achieve as a nation—preserving the connectivity that Americans have today and advancing universal broadband in the 21st century."[2]

As part of the initiatives discussed above, the FCC released a Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking under FCC 11-13 on February 9, 2011.[3] In said notices, the FCC made clear its intention to, among other things, institute ICC reform for purposes of eliminating of the economic barriers to full implementation of internet protocol (IP) technology:

> "Because the ICC system has not been reformed to reflect fundamental shifts in technology and competition in the last two decades, the current system results in considerable instability for carriers as revenues are declining at often unpredictable rates. Declining minutes for incumbent carriers have led to a concurrent decline in revenues, particularly for price cap carriers. By providing a more certain glide path for the transition to an all-IP future, intercarrier compensation reform will bring much needed predictability to the industry and investors, which will ultimately benefit consumers."
>
> "...we propose to adopt a sustainable long-term framework to gradually reduce all per-minute charges. Per-minute charges are inconsistent with peering and transport arrangements for IP networks, where traffic is not measured in minutes. The record suggests that the current ICC system is impeding the transition to all-IP networks and distorting carriers' incentives to invest in new, efficient IP equipment."[4]

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[2] *Id.* at p. 150.

[3] *Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service and Lifeline and Linkup.* WC Docket Nos. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45 and WC Docket No. 03-109, released February 9, 2011, ¶ 41.

[4] *Id.* at ¶ 40.

After considering input from numerous parties, the Federal Communications Commission ("FCC") issued an Order on November 18, 2011, which, among other things, restructured intrastate and interstate intercarrier compensation.[5] The ICC Order established separate ICC transition paths for FCC designated price cap carriers and rate-of-return incumbent local exchange carriers (ILECs). The ICC reforms implemented by the ICC order generally apply to the competitive LECs (CLECs) in accordance with the FCC's benchmarking rule[6].

The price cap ILECs in Alabama are: BellSouth Telecommunications, LLC d/b/a AT&T Alabama; CenturyTel of Southern Alabama, LLC d/b/a CenturyLink; CenturyTel of Northern Alabama, LLC d/b/a CenturyLink; Gulf Telephone Company d/b/a CenturyLink; Frontier Communications of Alabama, LLC; Frontier Communications of the South, LLC; and Windstream Alabama, LLC. Frontier Communications of Lamar County and the remainder of Alabama's ILECs are rate-of-return carriers for purposes of the ICC Order.

Effective December 29, 2011, the ICC Order required price cap carriers to cap the intrastate access rate elements referenced in 47 CFR §51.907.[7] Rate-of-return carriers were required by the ICC Order to cap the intrastate access rate elements referenced in 47 CFR §51.909.[8]

The ICC Order further requires carriers to bring intrastate and interstate terminating access rates, including End Office Access Service charges,[9] to parity in two steps that are to be

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[5] *Report and Order and Further Notice of Proposed Rulemaking, Connect America Fund; A National Broadband Plan for Our Future: Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund.* WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208; and FCC 11-161, rel. Nov. 18, 2011 (the "ICC Order").

[6] ICC Order at ¶ 807. See also ¶ 801.

[7] ICC Order at ¶ 801. See also ICC Order, Appendix A (Final Rules).

[8] *Id.*

[9] The intrastate reductions apply to "Transitional Intrastate Access Service" revenues as defined in 47 C.F.R. § 51.903(j), which include, among other things, revenues from "terminating intrastate End Office Access Service that was subject to intrastate access rates as of December 31, 2011; terminating Tandem-Switched Transport Access Service that was subject to intrastate access rates as of December 31, 2011;and originating and terminating Dedicated Transport Access Service that was subject to

accomplished on July 1, 2012, and July 1, 2013. Carriers are subsequently required to phase down End Office Access Service rates to bill-and-keep, within six years for price cap carriers and nine years for rate-of-return carriers. The ICC Order allows a portion of the revenue lost as a result of these reductions to be recovered from a monthly Access Recovery Charge ("ARC") (up to $0.50 for consumers/small businesses and $1.00 per line for multi-line businesses) and the Connect America Fund ("CAF"). The ICC Order provides that "Carriers may receive CAF support for any otherwise-eligible revenue not recovered by the ARC."[10] For price cap incumbent local exchange carriers ("ILECs"), the amount eligible for recovery includes those revenues that are being reduced as part of the ICC Order, were billed for service provided in fiscal year (FY) 2011, and for which payment is received by March 31, 2012.[11] For rate-of-return carriers, the eligible recovery is based on the 2011 interstate switched access revenue requirement, plus FY2011 intrastate switched access revenues and FY2011 net reciprocal compensation revenues.[12]

Carriers are required to submit to state regulatory commission's data regarding their FY2011 intrastate switched access MOU and rates, broken down into categories and subcategories, and the FCC expects states to monitor implementation of the recovery mechanism and related intrastate tariff filings necessitated by the access reductions. Price cap ILECs eligible for CAF support shall also file the information with the Universal Service Administrative Company ("USAC"), which will work with the FCC's Wireline Competition Bureau to

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intrastate access rates as of December 31, 2011." End Office Access Service is defined in 47 C.F.R. § 51.903(d); terminating Tandem-Switched Transport Access Service is defined in 47 C.F.R. § 51.903(i); and originating and terminating Dedicated Transport Access Service is defined in 47 C.F.R. § 51.903(c).

[10] ICC Order at ¶ 27.

[11] *Id.* at ¶ 880.

[12] *Id.* at ¶ 892.Average schedule carriers will use projected settlements associated with 2011 annual interstate switched access tariff filing. *Id.* at n. 1727.

implement processes for administration of CAF ICC support.[13] It is anticipated that rate-of-return carriers will also file federal and state access tariffs (with the National Exchange Carrier Association, Inc. ("NECA") filing a tariff for pool members), as well as information with USAC. An election to accept or decline CAF support must be made at the time of an ILEC's interstate tariff filing for the July 1, 2012 access reductions.

## II. Implementation of the ICC Reform Mandated by the FCC

The FCC specifically recognized the importance of state commission involvement in the ICC reform process discussed above:

> "...states will play a critical role implementing and enforcing intercarrier compensation reforms. In particular, state oversight of the transition process is necessary to ensure that carriers comply with the transition timing and intrastate access charge reductions outlined above. Under our framework, rates for intrastate access traffic will remain in intrastate tariffs. As a result, to ensure compliance with the framework and to ensure carriers are not taking actions that could enable a windfall and/or double recovery, state commissions should monitor compliance with our rate transition; review how carriers reduce rates to ensure consistency with the uniform framework; and guard against attempts to raise capped intercarrier compensation rates, as well as unanticipated types of gamesmanship. Consistent with states' existing authority, therefore, states could require carriers to provide additional information and/or refile intrastate access tariffs that do not follow the framework or rules adopted in this Order."[14]

In keeping with the ICC reform mandates established by the FCC and the acknowledged role of the states in that reform process, the Commission sets forth below the procedures which telecommunications carriers in Alabama must follow in order to implement ICC reform in this jurisdiction.

### A. The Access Charge Transition Process

#### (1) Step 1

Prior to the FCC's July 1, 2012, effective date for the initial reduction in intrastate access rates, the Commission must verify that each carrier has properly calculated the difference

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[13] *Id.* at ¶ 880.
[14] ICC Order at ¶ 813.

between the interstate and intrastate terminating access revenue and that the proposed intrastate access tariffs properly reflect the step 1 access revenue reduction. Therefore, no later than May 15, 2012, all Alabama price cap carriers shall file with the Commission access rate reductions to be effective on July 1, 2012, as required under the ICC Order for Transitional Access Service. Further, all price cap carriers in Alabama shall separately provide the Commission's Telecommunications Division with data and calculations supporting such Step 1 access charge revisions referenced in 47 CFR §51.907(b) by that same May 15, 2012, deadline. All rate-of-return ILECs in Alabama shall file with the Commission no later than May 25, 2012, access rate reductions, to be effective on July 1, 2012, as required under the ICC Order for Transitional Intrastate Access Service. Alabama rate-of-return ILECs shall also separately provide the Commission's Telecommunications Division with the data and calculations supporting such Step 1 access charge revisions referenced in 47 CFR §51.909(b) by May 25, 2012. CLECs in Alabama shall file no later than June 11, 2012, their required access rate reductions, effective July 1, 2012, and shall provide data and calculations supporting such rate reductions to the Commission's Telecommunications Division by the same date.[15]

(2) Step 2

Effective July 1, 2013, rates for Transitional Intrastate Access shall conform to the requirements set forth in 47 CFR §51.907(c) for price cap carriers and 47 CFR §51.909(c) for rate-of-return carriers. All ILECs and affected CLECs shall file with the Commission by no later than May 17, 2013, revised intrastate access tariffs reflecting the step 2 access charge transition revisions and submit to the Commission's Telecommunications Division by no later than May 17, 2013, all data and calculations supporting such revisions.

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[15] During the initial transition period, the FCC allows additional time for CLECs to make their filings. See ICC Order at ¶ 807.

(3) Step 3

Effective July 1, 2014, carriers shall implement the requirements set forth in 47 CFR §51.907(d) for price cap carriers and 47 CFR §51.909(d) for rate-of-return carriers. Staff recommends that all ILECs and affected CLECs file with the Commission by no later than May 16, 2014, revised intrastate access tariffs reflecting the step 3 access charge transition revisions and submit to the Commission's Telecommunications Division by no later than May 16, 2014, all data and calculations supporting such revisions.

(4) Step 4

Effective July 1, 2015, carriers shall implement the requirements set forth in 47 CFR §51.907(e) for price cap carriers and 47 CFR §51.909(e) for rate-of-return carriers. Staff recommends all ILECs and affected CLECs file with the Commission by no later than May 15, 2015, revised intrastate access tariffs reflecting the step 4 access charge transition revisions and submit to the Commission's Telecommunications Division by no later than May 15, 2015, all data and calculations supporting such revisions.

(5) Step 5

Effective July 1, 2016, carriers shall implement the requirements set forth in 47 CFR §51.907(f) for price cap carriers and 47 CFR §51.909(f) for rate-of-return carriers. Staff recommends all ILECs and affected CLECs file with the Commission by no later than May 17, 2016, revised intrastate access tariffs reflecting the step 5 access charge transition revisions and submit to the Commission's Telecommunications Division by no later than May 17, 2016, all data and calculations supporting such revisions.

(6) Step 6

Effective July 1, 2017, carriers shall implement the requirements set forth in 47 CFR §51.907(g) for price cap carriers and 47 CFR §51.909(g) for rate-of-return carriers. Staff recommends all ILECs and affected CLECs file with the Commission by no later than May 17, 2017, revised intrastate access tariffs reflecting the step 6 access charge transition revisions and submit to the Commission's Telecommunications Division by no later than May 17, 2016, all data and calculations supporting such revisions.

(7) Step 7

Effective July 1, 2018, price cap carriers shall implement bill-and-keep terminating access rate requirements set forth in 47 CFR §51.907(h) and rate-of-return carriers shall implement the access reform provisions set forth in 47 CFR §51.909(h). Staff recommends all ILECs and affected CLECs file with the Commission by no later than May 17, 2018, revised intrastate access tariffs reflecting the step 7 access charge transition revisions and that rate-of-return ILECs and associated CLECs submit to the Commission's Telecommunications Division by no later than May 17, 2018, all data and calculations supporting such revisions.

(8) Step 8

Effective July 1, 2019, rate-of-return carriers shall implement the access reform provisions set forth in 47 CFR §51.909(i). Staff recommends all rate-of-return ILECs and affected CLECs file with the Commission by no later than May 17, 2019, revised intrastate access tariffs reflecting the step 8 access charge transition revisions and submit to the Commission's Telecommunications Division by no later than May 17, 2019, all data and calculations supporting the revisions.

(9) Step 9

Effective July 1, 2020, rate-of-return carriers shall implement bill-and-keep terminating access rate requirements set forth in 47 CFR §51.909(j). Staff recommends all ILECs and affected CLECs file with the Commission by no later than May 15, 2020, revised intrastate access tariffs reflecting the step 9 access charge transition revisions.

**B. True-up**

The current intrastate access rates will remain in effect through June 1, 2012. Unless suspended by the Commission, the new intercarrier compensation rates shall be effective beginning on July 1, 2012, subject to a true-up to the extent that the Commission determines within 120 days of filing that the submitted rates require modification, or as may otherwise be required under federal law. ICC rate filings suspended by the Commission will be subject to a true-up as of July 1, 2012, once approved. For those local exchange companies that fail to file the requisite application on a timely basis, the applicable effective intercarrier compensation rates will be deemed as unjust and unreasonable as of July 1, 2012, and such carriers will be prohibited from charging for intrastate intercarrier traffic until they have Commission approved tariffs.

**C. Confidentiality**

Information submitted to the Commission Telecommunication Division in support of step 1 access reductions will be considered proprietary and shall not be released to parties outside the Commission without the express written approval of the LEC to which the data applies. Interested entities should enter into the necessary protective agreements to the extent that there is interest in reviewing information that has been designated as confidential.

## III. The March 28, 2012 Motion of 27 of Alabama's Incumbent Local Exchange Carriers

In response to the FCC's ICC Order, 27 of Alabama's Incumbent Local Exchange Carriers (the "ICOs")[16] filed with the Commission on March 28, 2012, a Motion for Amendment to Standstill Order and Other Relief (the "ICO Motion"). In said Motion, the ICOs seek a determination from the Commission that a portion of the intrastate access revenue of the ICOs that is billed and collected through the Commission-established Transition Service Fund ("TSF") is attributable to terminating access service subject to the ICC Order and inclusion in its recovery mechanism. The TSF is an access billing mechanism created by the Commission in a series of orders issued in 1995 and 1996[17] which was originally sized to equal the revenue produced during the utilized test period by that portion of each ILEC's intrastate access rates above interstate rates. Upon creation of the TSF, intrastate access charges billed directly by participating ILECs on a per-minute basis were reduced to then existing interstate rates, while the TSF administrator billed interexchange carriers ("IXCs") for their share of the TSF based on their relative share of the TSF recipients' intrastate local switching minutes of use, utilizing the TSF recipients local switching carrier access billing information. The resulting revenue was then distributed to each ILEC recipient as if billed and received directly. The TSF, which remains under Commission supervision, is referenced in the access tariffs of participating ILECs.

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[16] Ardmore Telephone Company, Inc.; Blountsville Telephone, LLC; Brindlee Mountain Telephone, LLC; Butler Telephone Company, Inc.; Castleberry Telephone Company, Inc.; CenturyLink of Alabama, LLC; Farmers Telecommunications Cooperative, Inc.; Knology Total Communications, Inc.; GTC, Inc., d/b/a FairPoint Communications; Gulf Telephone Company, Inc.; Haynevile Telephone Company, Inc.; Hopper Telecommunications, LLC; Knology of the Valley, Inc.; Millry Telephone Company, Inc.; Mon-Cre Telephone Cooperative, Inc.; Moundville Telephone Company, Inc.; National Telephone Company of Alabama, Inc.; New Hope Telephone Cooperative, Inc.; Oakman Telephone Co., Inc.; Oteico Telephone, LLC; Peoples Telephone Company, Inc.; Pine Belt Telephone Company, Inc.; Ragland Telephone Company, Inc.; Roanoke Telephone, Inc.; Union Springs Telephone Company, Inc.; Valley Telephone Co., LLC; and Windstream Alabama, Inc.

[17] *Report and Order*, Docket Nos. 24499, 24472, 24030, 24865 (APSC Mar. 11, 1996). See also *Report and Order, All Telephone Companies Operating in Alabama*, Docket No. 19356 (APSC Oct. 3, 1991); *South Central Bell Telephone Company*, Docket Nos. 24499, 24472, 24030, 24865 (APSC Sept. 20, 1995).

The ICOs assert that the determination sought in their March 28, 2012, Motion is necessary to make tariff revisions and other necessary filings associated with the ICC Order and to confirm any TSF reductions to take place on July 1, 2012, and July 1, 2013.[18]

The ICOs further note that the entry of an Order by the Commission rendering the determination sought in their March 28, 2012, Motion with respect to the TSF will also necessitate an amendment to the Commission's Order entered in Docket 28642 on August 22, 2002.[19] The Standstill Order entered by the Commission addressed certain intercarrier compensation disputes between BellSouth Telecommunications of Alabama, LLC, d/b/a AT&T Alabama ("AT&T") and the ICOs and specifically prohibited further changes to the intercarrier compensation arrangements between AT&T and the ICOs without further Commission Order. The Standstill Order has been amended several times to address, among other things: (1) AT&T Alabama's conversion to multiple billed private lines; (2) the treatment of CMRS traffic delivered by AT&T Alabama; (3) transport issues; (4) transit charges; (5) abolition of the Primary Carrier Plan; and (6) to effectuate the inclusion of AT&T Alabama's ACS minutes in the TSF.

Having considered the ICO Motion in light of prior Commission Orders and the ICC Order of the FCC, the Commission affirms that the access revenues received by each ILEC from the TSF are properly includable in such ILEC's intrastate switched access revenues. More particularly, TSF revenues attributable to originating and terminating traffic are identifiable through the existing carrier access billing information submitted by the ICOs to the TSF

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[18] *Order Granting Motion for Standstill*, Docket 28642 (APSC, August 22, 2002).

[19] *Order Granting Motion for Standstill*, Docket 28642 (APSC, August 22, 2012) (the "Standstill Order"). The Standstill Order entered by the Commission addressed certain intercarrier compensation disputes between BellSouth Telecommunications of Alabama, LLC, d/b/a AT&T Alabama ("AT&T") and the ICOs and specifically prohibited further changes to the intercarrier compensation arrangements between AT&T and the ICOs without further Commission Order. The Standstill Order has been amended several times to address, among other things: (1) AT&T Alabama's conversion to multiple billed private lines; (2) the treatment of CMRS traffic delivered by AT&T Alabama; (3) transport issues; (4) transit charges; (5) abolition of the Primary Carrier Plan; and (6) to effectuate the inclusion of AT&T Alabama's ACS minutes in the TSF.

administrator under the Commission's supervision. Appendix "A", which is incorporated herein, contains a schedule of each recipient's TSF revenues for 2011, attributed to originating and terminating access, and identifying that portion attributable to terminating intrastate End Office Access Service which are subject to the phase down to interstate levels under the ICC Order and inclusion in the recovery mechanism set out therein. The amount received by each ILEC from the TSF shall be reduced in accordance with Appendix "A", with a corresponding reduction in the overall size of the TSF on July 1, 2012 and July 1, 2013. Each ILEC shall accordingly reference such reduction in the TSF in their intrastate access tariffs filed pursuant to the ICC Order and as directed herein by the Commission in Sections II and IV of this Order.

The Commission acknowledges that various aspects of the ICC Order, including those addressing intrastate access rate reductions, are subject to a pending appeal. The Commission's findings and requirements in this Order are therefore contingent upon the continued validity of the provisions of the ICC Order requiring a phase down of terminating switched access rates to interstate levels, and the inclusion of the amounts identified in Appendix "A" in each ILEC's 2011 intrastate access revenues for purposes of the ICC Order and its recovery mechanism.

In light of the above determination, the Commission further concludes that the Commission's August 22, 2002, Standstill Order and, to the extent necessary, the Commission's TSF Implementation Order,[20] should be amended to authorize, incorporate and implement the aforementioned changes as described in the Petition.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, that, subject to the findings and conclusions regarding the ICO Motion set forth immediately above, all of the filing

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[20] Transition Service Fund (TSF) Administration and Procedures, and Modifications to the Primary Carrier Plan, Non-Traffic Sensitive (PCPNTS) and Alabama Service Fund (ASF) Procedures. *Report and Order*, Dockct Nos. 24499, 24472, 24030, 24865 (APSC Mar. 11, 1996).

deadlines established for purposes of implementation of the ICC Reform mandated by the FCC as set forth in Section II of this Order are hereby adopted by the Commission.

IT IS FURTHER ORDERED BY THE COMMISSION, that the access revenues received from the TSF shall be reported by each recipient as shown in Appendix "A" for purposes of the ICC Order and related intrastate access reductions as directed by the Commission in Sections II and III of this Order. The amount received by each ILEC from the TSF shall be reduced on the referenced dates in accordance with Appendix "A", with a corresponding reduction in the overall size of the TSF. Each ILEC participating in the TSF shall reference such reduction in their intrastate access tariffs filed pursuant to the ICC Order. The Commission will issue further directives regarding implementation of the reductions at a later date.

IT IS FURTHER ORDERED BY THE COMMISSION, that the Commission's Standstill Order and, to the extent necessary, the TSF Implementation Order, is hereby amended to incorporate and implement the aforementioned changes as described herein.

IT IS FURTHER ORDERED BY THE COMMISSION, that the provisions of this Order shall become null and void in the event of: (a) a stay or final judicial order invalidating the provisions of the ICC Order requiring a phase down of terminating intrastate switched access rates to interstate levels; or (b) as to the TSF, an administrative or judicial determination resulting in the exclusion of the amounts identified in Appendix "A" in each ILEC's 2011 intrastate access revenues for purposes of the ICC Order and its recovery mechanism.

IT IS FURTHER ORDERED BY THE COMMISSION, that jurisdiction in this matter is hereby retained for any further order or orders deemed reasonable in the premises.

IT IS FURTHER ORDERED, that this Order shall be effective as of the date hereof.

DATED at Montgomery, Alabama this 17th day of April, 2012.

ALABAMA PUBLIC SERVICE COMMISSION

Lucy Baxley, President

Twinkle Andress Cavanaugh, Commissioner

Terry L. Dunn, Commissioner

ATTEST: A True Copy

Walter L. Thomas, Jr., Secretary

**Exhibit "A"**

The amounts listed under "Terminating Access Amount" in Exhibit A-1 constitute the terminating Intrastate End Office Access Service revenues authorized by tariff and billed and received via the TSF for each incumbent local exchange carrier for FY2011. These are in addition to the terminating access revenues billed and received directly by the carrier for the same period. Subject to the remaining terms of this Order, the TSF shall be reduced by one half of the total "Terminating Access Amount" shown in Exhibit A-1 effective for access services rendered on or after July 1, 2012 (regardless of when billed); with the remainder of the "Terminating Access Amount" eliminated effective with TSF billings for access services rendered on or after July 1, 2013 (regardless of when billed).

Due to the proprietary nature of the access billing and revenue information, each incumbent local exchange carrier is designated in Exhibit A-1 by code, to be provided separately by the Commission to such carrier.

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**Exhibit A-1**

| Company | Access Revenues Per Tariffed TSF | ORIG Percent | TERM Percent | ORIGINATING ACCESS Amount | TERMINATING ACCESS Amount |
|---|---|---|---|---|---|
| Company A | $ 860,363 | 13.3% | 86.7% | $ 114,157 | $ 746,207 |
| Company AA | $ 94,837 | 15.0% | 85.0% | $ 14,223 | $ 80,614 |
| Company AB | $ 5,355 | 29.3% | 70.7% | $ 1,568 | $ 3,787 |
| Company AC | $ 315,521 | 24.3% | 75.7% | $ 76,573 | $ 238,948 |
| Company B | $ 690,125 | 23.3% | 76.7% | $ 160,773 | $ 529,352 |
| Company C | $ 1,561 | 17.2% | 82.8% | $ 268 | $ 1,293 |
| Company D | $ 8,268 | 19.7% | 80.3% | $ 1,627 | $ 6,641 |
| Company E | $ 2,112,992 | 39.4% | 60.6% | $ 832,898 | $ 1,280,094 |
| Company F | $ 2,092,417 | 65.9% | 34.1% | $ 1,379,059 | $ 713,358 |
| Company G | $ 320,450 | 11.2% | 88.8% | $ 35,959 | $ 284,491 |
| Company H | $ 252,099 | 18.7% | 81.3% | $ 47,039 | $ 205,060 |
| Company I | $ 1,765,985 | 15.2% | 84.8% | $ 269,013 | $ 1,496,972 |
| Company J | $ 909,565 | 38.2% | 61.8% | $ 347,301 | $ 562,264 |
| Company K | $ 355,418 | 14.1% | 85.9% | $ 50,156 | $ 305,262 |
| Company L | $ 334,833 | 11.2% | 88.8% | $ 37,552 | $ 297,281 |
| Company M | $ 547,966 | 14.7% | 85.3% | $ 80,322 | $ 467,644 |
| Company N | $ 35,640 | 31.3% | 68.7% | $ 11,163 | $ 24,477 |
| Company O | $ 1,248,993 | 23.8% | 76.2% | $ 297,380 | $ 951,614 |
| Company P | $ 58,576 | 18.8% | 81.2% | $ 11,015 | $ 47,560 |
| Company Q | $ 8,331 | 11.3% | 88.7% | $ 944 | $ 7,386 |
| Company R | $ 111,091 | 32.4% | 67.6% | $ 35,944 | $ 75,147 |
| Company S | $ 105,251 | 46.1% | 53.9% | $ 48,477 | $ 56,774 |
| Company T | $ 626,598 | 47.1% | 52.9% | $ 294,852 | $ 331,746 |
| Company U | $ 113,654 | 39.1% | 60.9% | $ 44,483 | $ 69,171 |
| Company V | $ 356,930 | 36.3% | 63.7% | $ 129,693 | $ 227,238 |
| Company W | $ 1,002,043 | 47.5% | 52.5% | $ 476,927 | $ 526,116 |
| Company X | $ 329,713 | 44.5% | 55.5% | $ 146,847 | $ 182,866 |
| Company Y | $ 149,328 | 34.8% | 65.2% | $ 51,961 | $ 97,367 |
| Company Z | $ 2,791 | 24.0% | 76.0% | $ 669 | $ 2,122 |
| TOTAL | $ 14,816,694 | 33.7% | 66.3% | $ 4,997,843 | $ 9,818,852 |