

lines) in Ottawa County in west central Michigan.¹ The two exchanges are separated by only seven miles (see Exhibit A), but were acquired separately and have been retained to date as separate study areas. The Drenthe exchange and study area were formerly known as Drenthe Telephone Co.,² and are presently listed in National Exchange Carrier Association ("NECA") Tariff F.C.C. No. 5 as Ace Telephone Company of Michigan – Drenthe. The Allendale exchange and study area were formerly known as Allendale Telephone Co., and are presently listed in NECA Tariff F.C.C. No. 5 as Ace Telephone Company of Michigan – Allendale.

Ace-Michigan has determined to merge its commonly owned and relatively proximate Drenthe and Allendale study areas, and would like to do so as close as possible to the beginning of 2015. The merged entity will be known as Ace Telephone Company of Michigan – Drenthe (Study Area Code 310692). Ace estimates that it can save approximately \$50,000 per year in accounting, reporting and other administrative costs by merging the two study areas and conducting their operations within a single consolidated study area. It is Ace-Michigan's understanding that the contemplated merger of its two existing study areas in the same state can be undertaken and completed without a study area boundary waiver from the Commission. See *Request for Clarification Filed by the National Exchange Carrier Association, Inc.*, DA 96-1129, 11 FCC Rcd 8156, 8160 (rel. July 16, 1996).

However, given that Allendale study area is in Rate Band 8 for Local Switching Service and Rate Band 6 for Dedicated Transport Service, while the Drenthe study area is in Rate Band 1 for Local Switching Service and Rate Band 9 for Dedicated Transport Service, Ace-Michigan

¹ Ace-Michigan operates and serves two other study areas in Michigan: its Old Mission study area (Study Area Code 31077) in Grand Traverse County in northwestern Michigan; and its Mesick study area (Study Area Code 310704) in Wexford, Grand Traverse, Benzie, Manistee, Lake and Kalkaska Counties in northwestern Michigan. These two study areas are further away from the Allendale and Drenthe study areas, and are not being merged at this time.

² The two study areas are listed by their former names in many Universal Service Administrative Company ("USAC") quarterly reports.

needs a waiver of Section 51.909(a) of the Rules in order to establish consolidated rate bands and access rates for its merged study area. Similarly, Ace-Michigan requires: (a) a waiver of Section 51.917(b)(1) to combine the 2011 Interstate Access Switched Access Revenue Requirements for the Drenthe and Allendale study areas into a consolidated 2011 Interstate Access Switched Access Revenue Requirement for the merged study area; and (b) a waiver of Section 51.917(b)(7) to combine the 2011 Rate-of-Return Carrier Base Period Revenues for the Drenthe and Allendale study areas into a single 2011 Rate-of-Return Carrier Base Period Revenue number for the merged study area.

The Requested Waivers Should Be Granted

Section 1.3 of the Rules permits rules to be waived for good cause shown. The Commission may exercise this discretion where the particular facts make strict compliance inconsistent with the public interest. Northeast Cellular Telephone Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990). In addition, the Commission may take into account considerations of hardship, equity, and the effective implementation of public policy on an individual basis. WAIT Radio v. FCC, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972).

Good cause exists for the requested waivers because: (a) the merger of the existing Drenthe and Allendale study areas is consistent with Commission policy favoring the consolidation of commonly owned study areas in the same state and serves the public interest by producing significant administrative cost savings; (b) the consolidation of the access rate bands for the merged study area are revenue neutral; and (c) the consolidation of the 2011 Interstate Switched Access Revenue Requirement and ROR Carrier Base Period Revenue for the merged study area produces no adverse impact upon the Connect America Fund – Intercarrier Compensation (“CAF-ICC”) mechanism.

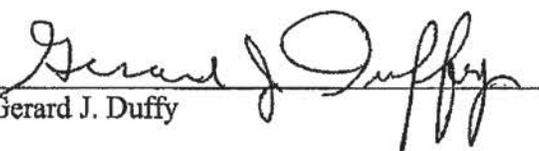
As indicated by Exhibit B, the merged study area will be in Rate Band 7 for Local Switching Service and Rate Band 6 for Dedicated Transport Service. The rate band and access rate for Tandem Switching Service will not change because the Drenthe study area, the Allendale study area and the merged study area are all in Rate Band 1 for Tandem Switching Service. Overall, the impact of the merger of the two study areas is revenue neutral, as the access revenues of the consolidated study area are equal to those of its pre-merger components.

As indicated by Exhibit C, although there will be some increases in the monthly Access Recovery Charges ("ARCs") paid by Allendale exchange customers, the merger of the two study areas will actually produce a decrease in the total CAF-ICC support received by Ace-Michigan for the areas from \$33,811 to \$10,010.

Conclusion

Ace-Michigan hereby requests waiver of Section 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Rules so that it proceed to complete the desired merger of its Allendale study area into its Drenthe study area as soon as possible.

Respectfully submitted,
ACE TELEPHONE COMPANY OF MICHIGAN

By: 
Gerard J. Duffy

Its Attorney

Blooston, Mordkofsky, Dickens,
Duffy & Prendergast, LLP
2120 L Street NW (Suite 300)
Washington, DC 20037
Phone: (202) 659-0830
Email: gjd@bloostonlaw.com
Dated: November 10, 2014

EXHIBIT A



ALLENDALE EXCHANGE

Ottawa

Ottawa County

DRENTHE EXCHANGE

Kent

Google earth

Allagan



EXHIBIT B

Local Switching Band

sar_id	sar_abbr	LS RRQ 201112	LS Cost 201112	LS band 201112	Forecasted Min1112	LS rate 201112	Terminating End Office Rate 201415
310669	ALLENDAL	133496	0.042075	8	3172786	0.044902	0.033554
310692	DRENTHE	4732	0.008627	1	548480	0.01347	0.011475
Combined		138228	0.037145	7	3721266	0.040412	0.030400

Tandem Switching Band

sar_id	sar_abbr	Rate Band
310669	ALLENDAL	1
310692	DRENTHE	1
Combined		1

Dedicated Transport Band

SAR_ID	SAR_ABBR	sp_rrq	sp_revs	sp_revs_dsl	totlines	sp_ret	p_revs_current	sp_band
310669	ALLENDAL	\$265,793	\$466,738	\$0	3486	0.569	\$504,871	6
310692	DRENTHE	\$19,125	\$16,426	\$0	515	1.164	\$17,768	9
Combined		\$284,918	\$483,164	\$0	4001	0.590	\$522,639	6

EXHIBIT C

Interstate ER

Study Area ID	Study Area Name	FY 2013 Interstate Switched Access Minutes	TY 2014-2015 Interstate Switched Access Minutes	Annualized Interstate Switched Access Minutes Growth Rate	Proposed 7/1/2014 Terminating Switched Access End Office Rate	TY 2014-2015 Terminating End Office Minutes	TY 2014-2015 Terminating End Office Revenue	7/1/2014 Proposed Composite Rate	TY 2014-2015 Expected Maximum Billed Interstate Access Revenue	Allocation Factor to TY 2014-2015 Interstate Access Revenue	85.7375% of TY 2011 Interstate SW RRQ + TY 2014-15 Pool Administration Expenses	TY 2014-2015 Expected Pool Settlement Interstate Access Revenue	TY 2014-2015 Interstate Eligible Recovery (post True-Up, before Double Adjustments)	TY 2012-2013 True Up Revenue	
310669	ACE-MI AI	3070676	2645413	-8.17%	0.0336	1278414	42896	0.045318	119885	0.001	384731	202891	170830	0.000	-11010
310692	ACE-MI DI	407276	308206	-14.72%	0.011	161798	1857	0.021102	6504	0.000	21737	11001	10058	0.000	-677
Combined		3477952	2953619	-8.92%	0.0304	1440212	49782	0.042791	126389	0.001	405468	213892	180889	0	-11687

Intrastate ER

Study Area ID	Study Area Name	85.7375% of Total FY2011 Actual Revenue for Transitional Intrastate Access Service	Study Area Provided Forecasted Demand at the Rate Element Level	TY2014-2015 Transitional Intrastate Terminating Composite Rate	FY 2013 Terminating Intrastate Local Switching Minutes	TY 2014-2015 Terminating Intrastate Local Switching Minutes	Annualized Intrastate Switched Access Minutes Growth Rate Reflected	TY 2014-2015 Transitional Intrastate Access Service Revenue	TY 2014-2015 Net Settlement from the State Pool	TY 2014-2015 State Access Support Rebalancing Fund Revenue	Total TY 2014-2015 Expected Maximum Transitional Intrastate Access Service Revenue	TY 2014-2015 Intrastate Eligible Recovery (post-True Up)	Double Recovery and Other Adjustments	TY 2012-2013 True Up Intrastate Revenue
310669	ACE-MI AI	294127	no	0.044385	3839839	3351055	-7.49%	148770	0	281588	430358	-224089	0	-87858
310692	ACE-MI DI	46505	no	0.014962	739613	642004	-7.77%	9606	0	25328	34934	8956	0	-2615
Combined		340632		0.039663	4579452	3993059	-7.53%	158376	0	306916	465292	-215133	0	-90473

Recip Comp EK

Study Area ID	Study Area Name	(0.95*3) % of FY 2011 Net CMRS Reciprocal Compensation	TY 2014 - 2015 Terminating CMRS Reciprocal Compensation Minutes	July 1, 2014 Terminating CMRS Reciprocal Compensation Average Rate	TY 2014 - 2015 Originating CMRS Reciprocal Compensation Minutes	July 1, 2014 Originating CMRS Reciprocal Compensation Average Rate	TY 2014 - 2015 Terminating CMRS Reciprocal Compensation Revenue	TY 2014 - 2015 Originating CMRS Reciprocal Compensation Expense	TY 2014 - 2015 Net CMRS Reciprocal Compensation Revenue	(0.95*3) % of FY 2011 Net Non-CMRS Reciprocal Compensation	TY 2014 - 2015 Terminating Non-CMRS Reciprocal Compensation Minutes	July 1, 2014 Terminating Non-CMRS Reciprocal Compensation Average Rate	TY 2014 - 2015 Originating Non-CMRS Reciprocal Compensation Minutes	2014 Originating Non-CMRS Reciprocal Compensation Average Rate	TY 2014 - 2015 Terminating Non-CMRS Reciprocal Compensation Revenue
310669	ACE-MI AL	39798	0	0	0	0	0	0	0	25065	2808138	0.0025	111601	0.04469	7020
310692	ACE-MI DR	10781	0	0	0	0	0	0	0	5733	131910	0.816	29682	0.02	2111
Combined		50580	0	0	0	0	0	0	0	30798	2940048	0	141283	0.05469	9131

ER Summary

Study Area ID	Study Area Name	TY 2014-2015 Interstate Eligible Recovery (post true-up)	TY 2014-2015 Intrastate Eligible Recovery (post true-up)	TY 2014-2015 Net Reciprocal Compensation Eligible Recovery (post true-up)	TY 2014-2015 Interstate Local Switching Support (LSS) for RoR Affiliates of Price Cap Co	TRIS Increment	Regulatory Fees Increment	NANPA Increment	ARC True-Up for TY 2012-2013	Exogenous Cost True-up for TY 2012-2013	Double Recovery and Other Adjustments	Total Eligible Recovery (post True Up and Double Recovery)
310669	ACE-MI AL	170830	-224089	65014	0	1600	3300	0	-703	1995	0	17947
310692	ACE-MI DR	10058	8956	17220	0	460	920	0	28	670	0	38312
Combined		180889	-215193	82234	0	2060	4220	0	-675	2665	0	56260

Residential ARC

Study Area ID	Study Area Name	Exchange / Rate Zone	Residential Tariff Period Projected Unas (excluding Lifeline)	Stand-alone R1 rate	Mandatory EAS	Additional Mandatory Basic Local Rate Charges	State SLC	E911	TRIS	State USF	Federal SLC	Total Current Year Rate Ceiling Comp. Charges w/o ARC	Res Piv Yrs ARC Rate	Proposed Curr Yr Res. ARC Rate	Projected Curr Yr Res. ARC Revenue
310669	ACE-MI AL	Allendale	1863	19.73	0	0.1	0	0.44	0.1	0	6.5	26.87	1.00	0.41	9188
310692	ACE-MI DR	Drenth/Alleg	206	21.5	0	0.1	0	3.32	0	0	6.5	31.42	0.00	0.00	0
310692	ACE-MI DR	Drenth/Otta	148	21.5	0	0.1	0	0.44	0	0	6.5	28.54	1.00	1.46	2599
Combined		Allendale	1863	19.73	0	0.1	0	0.44	0.1	0	6.5	26.87	1.00	1.5	21961
		Drenth/Alleg	206	21.5	0	0.1	0	3.32	0	0	6.5	31.42	0.00	0.00	0
		Drenth/Otta	148	21.5	0	0.1	0	0.44	0	0	6.5	28.54	1.00	1.46	2599

Recip Comp ER

Study Area ID	Study Area Name	TY 2014 - 2015 Originating Non-CMRS Reciprocal Compensation Revenue	TY 2014 - 2015 Net Non-CMRS Expected Reciprocal Compensation Revenue	TY 2014 - 2015 CMRS Recovery Eligible	TY 2014 - 2015 Non-CMRS Recovery Eligible	TY 2014 - 2015 Reciprocal Compensation Eligible Recovery (post true up)	TY 2012 - 2013 True Up Revenue
310669	ACE-MI AL	4987	2033	39796	23032	65014	2184
310692	ACE-MI DS	297	1814	10781	3920	17220	2519
Combined		5284	3847	50580	26951	82234	4703

ER Summary

Study Area ID	Study Area Name
310669	ACE-MI AL
310692	ACE-MI DS
Combined	

Residential ARC

Study Area ID	Study Area Name
310669	ACE-MI AL
310692	ACE-MI DS
310692	ACE-MI DS
Combined	

Study Area ID	Study Area	Projected Curr Yr Res. ARC Revenue	SLB Prv Yrs ARC Rate	Projected Curr Yr SLB ARC Rate	SLB Tariff Period Projected Lines	Projected Curr Yr SLB ARC Revenue	MLB Prv Yrs ARC Rate	Proposed Curr Yr MLB ARC Rate	MLB Tariff Period Projected Lines	Federal SLC - MLB	Projected Curr Yr MLB ARC Revenue	Total Projected Curr Yr ARC Revenue	ARC True-Up Revenue 2012-2013
310669	ACE-MI AL	9188	1.00	0.41	129	635	2.00	0.82	825	9.20	8118	17941	-703
310692	ACE-MI DR	2593	1.00	1.50	90	1620	2.00	3.00	8	9.20	288	4501	28
Combined		23954	1.00	1.50	219	3098	2.00	3.00	893	9.20	19197	46249	

CAFICC

Study Area ID	Study Area	Eligible Recovery (including True-Up and Double Recovery Adjustments)	ARC Opportunity Revenue	CAF ICC Support
310669	ACE-MI AL	17947	17941	7
310692	ACE-MI DR	38312	4501	33811
Combined		56260	46249	10010