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June 20, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW – Room TW-B204
Washington, DC 20554

Re: CC Docket No. 96-45 /
Petition for Waiver
of Section 54.309 of the Rules
Roseville Telephone Company

Dear Ms. Salas:

On November 13, 2000, Roseville Telephone Company filed the above-referenced petition for waiver. Subsequently, on June 18, 2001, Roseville filed a supplement to its petition. USTA believes that the issues raised by Roseville's petition are important, and USTA wishes to express its support for the waiver petition.

Roseville seeks waiver of Section 54.309 of the Commission's rules to allow it to continue to compute its federal high cost loop support pursuant to Part 36 of the rules after elimination of the hold-harmless support for non-rural local exchange carriers. The waiver was filed subsequently to Roseville's petition for reconsideration of the Tenth Report and Order in CC Docket Nos. 96-45 and 97-160. That petition sought modification of the demarcation between rural and non-rural carriers for purposes of calculating universal service support. Under that order, Roseville is categorized as a non-rural carrier and on that basis its high cost support would be eliminated.

USTA supports Roseville's petition for waiver and urges the Commission to take favorable action on that request. As fully set forth in its petition for waiver and its May 1, 2001 letter to the Deputy Chief of the Common Carrier Bureau, Roseville has demonstrated that the impact to it and its customers would be substantial if relief is not forthcoming. Under Part 36, Roseville qualified for \$1.65 per line per month, or \$2.4 million annually, in explicit universal service support. Loss of that support would result in pressure to raise Roseville's local residential rates from \$18.90 to \$20.55 per month. Furthermore, Roseville has described the distinctions between it and other carriers that are classified as non-rural.

No. of Copies rec'd 0/11
List A B C D E

Ms. Magalie Roman Salas
June 20, 2001
Page 2

USTA believes that the grant of an ongoing waiver is justified based on Roseville's unique characteristics and universal service support requirements. Favorable action on the waiver would also allow Roseville's universal service support and access charges to be treated in a holistic manner and consistently with similarly situated rate of return carriers covered by the MAG proposal currently under consideration by the Commission. Such a determination would be consistent with the stated basis for the Commission's grant of Puerto Rico Telephone Company's waiver request, CCB/CPD No. 99-36, DA 01-1353, released June 12, 2001.

USTA urges the Commission to grant Roseville Telephone Company an ongoing waiver of Section 54.309 of the Commission's rules.

Respectfully submitted,



Lawrence E. Sarjeant
Vice President Regulatory Affairs
and General Counsel

cc: Chairman Michael Powell
Kyle Dixon
Commissioner Kathleen Abernathy
Bryan Tramont
Commissioner Michael Copp
Jordan Goldstein
Commissioner Gloria Tristani
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Dorothy Attwood, Chief, Common Carrier Bureau
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