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March 27, 2008

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EX PARTE

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Petition of Puerto Rico Telephone Company Inc. for Election of Price Cap Regulation and for Limited Waiver Pricing and Universal Service Rules, WC Docket No. 07-292*

Dear Ms. Dortch:

On November 19, 2007, Puerto Rico Telephone Company Inc. (“PRT”) filed a petition to elect price cap regulation no later than June 1, 2008, and, to the extent necessary, to waive certain pricing and universal service high-cost support rules related to PRT’s election. Specifically, in its petition, PRT sought a waiver of 47 C.F.R. § 61.3(qq)(2) of the Commission’s rules, which sets an average traffic sensitive (“ATS”) switched access target rate of \$0.0095 per minute “[f]or a holding company with a holding company average of less than 19 Switched Access End User Common Line charge lines per square mile served by such company” In addition, PRT requested the partial waiver of certain rules regarding the distribution of universal service support in order that PRT could continue to receive interstate common line support (“ICLS”) as a price cap carrier.

Subsequent to the filing of PRT’s petition, the Commission released an order on March 18, 2008, granting a modified waiver petition filed by Windstream Corporation (“Windstream”) seeking to convert its cost company, rate-of-return regulated study areas to price cap regulation no later than July 1, 2008.¹ In the *Order*, the Commission: (1) required that Windstream target its ATS rate to a target of \$0.0065 per ATS minute of use as required by 47 C.F.R. § 61.3(qq)(3) of the Commission’s rules; and (2) permitted Windstream to continue receiving ICLS for the converted study areas, but required that such support be calculated on a per-line basis at 2007 per-line disaggregated ICLS amounts, froze support at those per-line

¹ See *Windstream Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 07-171, Order, FCC 08-81 (rel. March 18, 2008) (“*Order*”).

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levels going forward, and capped Windstream's aggregate annual ICLS support at an amount equal to Windstream's overall 2007 ICLS (after application of any required true-ups).

Although the framework adopted in the *Order* differs from the relief originally requested in PRT's petition, PRT believes that the Commission's approach in facilitating Windstream's transition to price cap regulation is reasonable and would provide the same public interest benefits for the citizens of Puerto Rico. Accordingly, PRT hereby modifies its waiver request consistent with the *Order* and: (1) withdraws its request for a waiver of section 61.3(qq)(2), as a result of which PRT would begin a transition in its 2008 annual access tariff filing toward a target rate of \$0.0065 per ATS minute of use, consistent with Section 61.3(qq)(3) and the *CALLS Order*²; and (2) requests that the Commission grant the appropriate waivers to allow PRT to continue to receive ICLS support as a price cap carrier, with the understanding that such support would be calculated on a per-line basis at PRT's 2007 per-line disaggregated ICLS amounts and frozen at those per-line levels going forward and that PRT's aggregate annual ICLS support would be capped at an amount equal to its overall 2007 ICLS (after application of any required true-ups). Under this approach, PRT would forego any Presubscribed Interexchange Carrier Charge or Carrier Common Line charges that otherwise might be assessable under the *CALLS Order* and would forego any increase in the non-primary residential Subscriber Line Charge cap from \$6.50 to \$7.00.

Consistent with the *Order*, PRT also requests a waiver of 47 C.F.R. § 69.3(i)(1) of the Commission's Rules, which would require that PRT notify the National Exchange Carrier Association ("NECA") no later than March 1st of the tariff filing year of its intention to withdraw from the NECA Common Line Pool, which is the only NECA pool in which PRT participates. Waiver of this rule is appropriate to ensure that PRT is not prevented from exiting the Common Line Pool upon approval of its modified petition, and good cause exists to waive this rule for the same reasons that the Commission should grant PRT's modified petition to elect price cap regulation no later than July 1, 2008.

² See *Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Low-Volume Long Distance Users; Federal-State Joint Board On Universal Service*, Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, Eleventh Report and Order in CC Docket No. 96-45, 15 FCC Rcd 12962 (2000) ("*CALLS Order*"), *aff'd in part, rev'd in part, and remanded in part, Texas Office of Public Utility Counsel v. FCC*, 265 F.3d 313 (5th Cir. 2001).



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Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced docket.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bennett L. Ross", written over a circular stamp or mark.

Bennett L. Ross

BLR:rw

Cc: Ian Dillner
Dana Shaffer
Al Lewis
Jennifer McKee