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Federal Communications Commission
Office of the Secretary

Comments RE: FCC 08-4

Dixie-Net Communications is a Facilities Based CLEC operating in Mississippi. We have our own switches and service delivery systems, many co-located in Bell South (now AT&T) central offices. We order unbundled loops from the ILEC between our equipment and our customers, according to pricing in our Interconnection Agreement. Those prices are supposedly reflective of the ILEC's cost as determined by the TELRIC (Total Element Long Run Incremental Cost) calculation method. Simply put, the rates for allowed Unbundled Network Elements are essentially to be offered to CLEC at just over the ILEC cost.

1. Since Universal Service support is designed to offset the High Cost of providing service, and our costs for switching and network systems are at least as high as the ILEC, and the loops and other UNEs we order are "at cost", how then can the Commission conclude that we, as an ETC, are not eligible for at least identical support? ILECs are able to negotiate far better network equipment volume discounts from vendors than we are. The ILECs have calculated the TELRIC rates, and so offer UNEs to us at cost. We have to respond first to service outages to determine whether the source of trouble is in the leased loop or in our equipment. In cases where trouble is found to be in the loop, the ILEC must dispatch to resolve the loop trouble, but their cost for doing this is already included in their rate to us for the UNE loop.
2. NA
3. Support should continue for multiple lines to a customer. We do not receive multi-line discounts for UNE loops to a customer. The service area toggles the high cost setting, not the number of loops. The cost for providing service increments identically with the number of loops delivered into high cost areas.
4. We believe that our costs are actually higher than the ILECs. We believe that basing Competitive ETC support on CLEC costs would require more money, not less. For services provided over fixed or land-based (ie, not mobile) wireless, it seems that support to ILECs should have been decreasing as competitive carriers take customers, rather than staying flat. If, however, the ILEC is claiming support for UNE loops provided to the CLEC, the ILEC is "double dipping" since the CLEC has already covered the ILECs cost in providing the loop.
5. We strongly disagree with the conclusion. Our whole market is rural and high-cost. Except where necessary to interconnect with the ILEC in non-rural areas, our entire investment has been made in under-served, rural areas. In fact, prior to our making application to install broadband-capable equipment in ILEC central offices, the ILEC had

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not made, nor did it intend to make investment into our market areas within at least a 5 year time frame.

6. We believe that support should be offered for every connection.
7. na
8. Is the ILEC continuing to receive support for UNE Loops that serve CLEC customers? We have taken these customers, and covered the ILECs cost.
9. The support for mobile wireless carriers is the problem. These companies have exploited the intent of Universal Service. In most cases, a mobile wireless carrier does not replace the loop provided by either the ILEC or a CLEC, but rather adds new service to the household or business. In order for the mobile wireless carrier to continue to receive support, they should have to document their cost. We believe that their costs to provide mobile wireless service are much lower than those for ILECs or CLECs to provide fixed / land based services.
10. If support for mobile wireless CETCs is to continue, we agree that mobile wireless CETCs should have to document their costs. We believe that the costs are lower to provide mobile wireless service than they are to provide fixed / land-based services.
11. In the case of facilities-based CLECs, the costs will likely be shown to be higher than those of the ILECS. Is the commission prepared to offer increased support in such cases?
12. Again, we do not want to be lumped in with wireless carriers as CETCs. With that, we can demonstrate that we have at least the same per customer costs as the ILEC, if not more. Is the Commission willing to provide higher support to CETCs that demonstrate it?
13. Will the TELRIC formulae be used for this cost calculation? Logically, since our "cost" from the ILEC is TELRIC plus a "reasonable profit" then our costs will be demonstrably higher.
14. Cost items (at minimum): loops, switches, co-location rental, power, HDSL equipment, insurance, fidelity bonds, payroll, training, power, fuel
15. Haven't read the WiCAC proposal, and we're not in the CMRS business. By and large, rural ILECS enjoy de-facto monopoly status in their service areas, so their costs wouldn't necessarily parallel ours. We have to compete head to head with the ILEC after covering their cost for loops.
16. In general, we concur with the validity of the ILECs disaggregation zones, and our costs are tied to those already.
17. Agreed.
18. Agreed.
19. Agreed.
20. Agreed.

21. 1 year projection. Actual after 1 year. Wireless carriers should be supported on a basis of maximum number of call path capability per cell site. The number of handsets issued is an over-subscription multiple of actual call capability. To close an abuse loophole, the number of handsets registered in addresses covered by a tower should be divided into the maximum call capability of a cell site to determine actual over-subscription rate. If that falls below an 8 to one ratio (or whatever ratio experts agree maintains service quality), then the max support would be for the maximum number of call paths able to be supported at that ratio.
22. CMRS and wireline LEC cost rules should be independent of each other. Handsets are very cheap and easy to deploy, when compared to terrestrial connections, and should not be considered as a significant cost.
23.
24.
25. The tone of this item seems to work under the assumption that the CETCs are inherently dishonest, and that the LECs are above reproach. Why is the question not raised as to whether the LECs purposely down play their expenses in an effort to negatively impact the support their competitors receive? Why put CETCs, by nature smaller and with fewer resources, through the extra work of documenting costs, thereby inevitably raising them, only to impose a ceiling which matches the *existing* identical support rule?
26. If the Commission is swayed by allegations of this nature, why does it not provide a list of accepted uses for the support, and a documentation framework? Vague language cannot enact specific outcome.

I have no comment or insufficient information on the rest of the items.

Sincerely,

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