Before the

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	CC Docket No. 96-45
Federal-State Joint Board on Universal Service	)	
	)	
Hayneville Fiber Transport, Inc. d/b/a Camellia	)	
Communications Petition for Waiver of	)	
Section 54.307(c) of the Commission's Rules	)	
	)	

To: Wireline Competition Bureau

HAYNEVILLE FIBER TRANSPORT, INC. d/b/a CAMELLIA COMMUNICATIONS PETITION FOR WAIVER EXPEDITED RULING REQUESTED

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August 15, 2008

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SUMMARY

Hayneville Fiber Transport, Inc., d/b/a Camellia Communications. ("Camellia"), pursuant to section 1.3 of the Commission's rules, petitions the Commission to direct USAC to accept revisions to certain of Camellia's Interstate Access Support ("IAS") filings, and if necessary, waive Section 54.307(c) of the Commission's rules with respect to acceptance by the Universal Service Administrative Company's ("USAC's") revisions to certain line count filings.

USAC informs Camellia that it only will accept revisions for the past 24 months. Although no rule, statute, form or Commission order specifically addresses the facts at issue here, Camellia's seeks relief from this "administrative policy," adopted by USAC without any formal rulemaking or other notice and comment proceeding in December 2006. This administrative policy appears on USAC's website and is attached as Exhibit 3. Although Camellia's line counts were timely filed, the prior consultant to Camellia omitted allocation of the line counts to geographic disaggregated zones. The initial filings included all line count information to Zone 1. The revised filings correctly allocate the line count information to Zones 1, 2, and 3 in Study Area Codes 259788 and 255181.

Camellia is a small facilities-based competitive local exchange carrier, designated as an eligible telecommunications carrier ("ETC") by the Alabama Public Service Commission ("APSC"). Camellia serves its subscribers in the Greenville, Alabama area with telephone and DSL and dial-up Internet services. Its service area is an economically challenged rural area. Over twenty-five percent of the citizens living in service area live below the poverty line, and twenty-four percent of Camellia's customer's receive Lifeline service. Camellia's service territory includes precisely the population that needs the help that universal service funds were designed to provide. Grant of this request serves the public interest.

The Commission should grant this request because it would be equitable to do so, and USAC does not have the legal authority to adopt the "administrative policy" that limits acceptance of the revised forms. USAC has received all the required information from Camellia, and is in possession of all other necessary data to make the calculations for revised payments to Camellia. Camellia respectfully submits that grant of this waiver will not cause undue administrative burden on the USAC or the FCC, and the great benefit to the public interest outweighs any small burdens that might result. Therefore, Camellia respectfully requests that USAC be directed to accept the Form 525 revisions filed by Camellia, and calculate the revised payment amount, and make the necessary payments to Camellia expeditiously.

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To: Wireline Competition Bureau

HAYNEVILLE FIBER TRANSPORT, INC.
d/b/a CAMELLIA COMMUNICATIONS
PETITION FOR WAIVER
EXPEDITED RULING REQUESTED

Hayneville Fiber Transport, Inc., d/b/a Camellia Communications. ("Camellia"), pursuant to section 1.3 of the Federal Communication Commission's ("FCC's" or "Commission's") rules,[1] and through its undersigned counsel, hereby petitions the Commission for an expedited ruling, including, if necessary, waiver of Section 54.307(c) of the Commission's rules with respect to the Universal Service Administrative Company's ("USAC's") receipt of revisions to Camellia's Interstate Access Support ("IAS") filings.[2] Camellia seeks a Commission order requiring USAC to accept filings that Camellia made to revise timely-filed line count filings. The original filings were prepared by a previous outside consultant to Camellia. Upon internal review by Camellia's new accounting firm, it was discovered that the original timely-filed line counts included all line count information in Zone 1. However, the worksheet information should have allocated the line counts to geographic disaggregated zones established by the local

[1] 47 C.F.R. § 1.3.
[2] 47 C.F.R. § 54.307(c).

exchange carriers at the Alabama Public Service Commission. Camellia has filed revisions with USAC to correct these clerical and ministerial errors.[3] The revisions correctly allocate the line count information to Zones 1, 2, and 3 in Study Area Codes 259788 and 255181.

USAC informs Camellia that, absent Commission action directing it to do so, it only will accept revisions for the past twenty-four months, pursuant to its internal "administrative policy."[4] Camellia seeks a Commission order to direct USAC to accept revisions beyond the twenty-four month period because the policy is more than administrative in its impact, and was not adopted with procedures that protect the substantive rights of beneficiaries. The policy dated December 2006, and was implemented in January 2007 by USAC without any formal Commission rulemaking or other notice and comment proceeding.

Camellia recognizes that USAC has the task of managing large volumes of data, and that is policy may be intended to be "administrative" in nature. However, the policy affects carriers in a substantive way, and exceeds USAC's statutory authority.[5]

Camellia provides the revised geographic disaggregation information to be associated with the timely-filed line count information both make sure that USAC and the Commission have the correct information on file, and to receive revised IAS payments. Camellia is subject to audit by USAC and the Commission for five years, and has on its own motion reviewed its prior reports and corrected clerical and ministerial mistakes that have substantive impact on the

[3] Camellia has on file with USAC revisions for FCC Form 525 (IAS Worksheets) for quarterly submission dates 9/30/04, 12/31/04, 3/31/05, 6/30/05, 9/30/05, 12/30/05, 3/30/06, 6/30/06, 9/30/06, 12/30/06, 3/30/07, 6/30/07, 9/30/07. Although USAC has not yet acted with respect to Camellia's filings, the revisions that may be considered outside the USAC "administrative policy" time window were originally filed 9/30/04 through 3/31/05, long before the "administrative policy" was adopted by USAC.

[4] This "administrative policy" is dated December 2006, and apparently was implemented in January 2007. It appears on USAC's website and the text of the policy is attached as Exhibit 3.

[5] *See* Section 54.702 of the Commission's Rules.

company. Commission policy should encourage self-correction by recipients as part of its efforts to limit waste, fraud and abuse. Self-monitoring by recipients should form an important part of the Commission's efforts to encourage compliance with its rules and policies.

Some of Camellia's revisions date to 2004 and 2005, before the USAC's "administrative policy" was established, and outside the two year time period USAC recognizes for revisions.[6] USAC's policy states that "this change is being made to ensure that line count revision practices are the same for both incumbent carriers and CETCs."[7] Camellia speculates that the USAC policy was designed to align USAC policy with NECA procedures. However, the practical result, if such is the case, is that the NECA policy became a USAC policy without any formal Commission rulemaking, notice or public comment.

The FCC's statute of limitations for audit purposes is five years, and the FCC requires carriers to retain records for five years from receipt of funding.[8] In the interest of assuring the ongoing completeness and accuracy of data on file with USAC, Camellia respectfully suggests that the Commission direct USAC to accept for filing the Camellia revisions, whether or not they fall within the arbitrary time period established by USAC. An order directing USAC to accept the revised filings, and grant of a waiver, if necessary, to pay the revised amount, serves the public interest. Such action will allow Camellia to limit financial and operational hardship to the company and its customers, and continue providing quality service to its community. It also will allow Camellia and the Commission to assure the continuing accuracy and completeness of the information on file with USAC.

[6] *See* fn. 3 *infra.*
[7] *See* Exhibit 3.
[8] *See* Sections 54.202 and 1.80 (c)(2) of the Commission's Rules.

SPECIAL CIRCUMSTANCES JUSTIFY THIS WAIVER REQUEST

Camellia obtained certification from the Alabama Public Service Commission ("APSC") in June 2004 as an Eligible Telecommunications Carrier ("ETC") and provides service to customers located in the areas of Lowndes and Butler County, Alabama served by BellSouth and CenturyTel of Alabama. Camellia serves its subscribers in the Greenville, Alabama area with telephone and DSL and dial-up Internet services. Its service area is an economically challenged rural area. Over twenty-five percent of the citizens living in service area live below the poverty line. Twenty-four percent of Camellia's customers receive Lifeline service.[9] Camellia's service territory includes precisely the population that needs the help that universal service funds were designed to provide.

Following Camellia's ETC certification, it filed all necessary paperwork to receive universal service support. Camellia timely filed line count forms. A recent review of the previously filed information revealed categorization errors, so Camellia's new accountant filed revisions on Forms 525 to correct the geographic disaggregation zone information.[10] In the instructions to FCC Form 525, filers are advised on page 5, with respect to Item 14, to mark "revision" under "type of filing" when a filer is making revisions to previously filed information. Camellia has checked the revision box and provided the correct zone information to USAC.

As Declarations of Evelyn Causey, Camellia's Chief Financial Officer ("CFO") and Rod Ballard, Camellia's new outside accountant, demonstrate, special circumstances justify this waiver request.[11] Unlike many waiver requests in the USF realm, Camellia did not miss any filing deadlines, and all line count information was provided in Camellia's filings. As the

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[9] *See* Declaration of Evelyn Causey, attached as Exhibit 1.
[10] *See* fn 3 *infra.*
[11] *See* Exhibits 1 and 2.

declarations describe, the discrepancies in the filed information was discovered only after Camellia's new outside accounting firm began an internal review of Camellia's previously filed information. When the new accountants reviewed Camellia's filings, they discovered that although previous filings included proper line count amounts, the allocation of the line count amounts to the appropriate geographic disaggregation zones was not included. As Camellia's CFO attests, Camellia, as a small company, relied on an outside expert to prepare its filings, and only recently discovered, through its own internal review that the geographic disaggregation information was omitted from the earlier filings.[12] Upon review of the information, and after consultation with USAC, Camellia, through its accountants and counsel, was informed by USAC that it could revise the forms for a twenty-four month period, but that a waiver request would be necessary for USAC to accept revisions beyond that time period, in accordance with its "administrative policy."[13]

This so-called "administrative policy" has a significant substantive effect upon Camellia and other affected competitive local exchange carriers. USAC's adoption of this policy appears to have been developed without any formal FCC action, in contravention of the explicit directive of the Commission's Rule 54.702(c). Rule 54.702 (c) makes clear that development of policy (administrative or otherwise) is not a power granted to the Administrator:

> The Administrator may not make policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress. Where the Act of the Commission's rules are unclear, or do not address at particular situation, the Administrator shall seek guidance from the Commission.

[12] *See* Exhibit 1.
[13] *See* Exhibit 3.

USAC has acknowledged that it needs Commission involvement and direction. In its Comments filed in the *Comprehensive Review of the Universal Service Fund Management, Administration and Oversight ("Program Management NPRM")* proceeding.

> USAC respectfully suggests that the Commission work with USAC in an effort to establish further clarity regarding administrative matters entrusted to USAC and policy decision requiring Commission or staff action. In addition, USF administration would benefit from clarification of what policy matters need to be addressed by formal rules or orders and what matters rest with the Commission staff to provide guidance to USAC.[14]

USAC also suggested that Commission, among other things, should consider limiting the time frame for data revisions to improve predictability of support, and to prevent substantial prior period adjustments.[15] However, despite this suggestion, the Commission's *Report and Order* in the *Program Management NPRM ("Program Management Order")* did not include any changes to time frames for data revisions.[16] The USAC self-developed "administrative policy" is the only limitation to receipt of the information and was implemented by USAC in January 2007, long after the original filings at issue here were filed. There appears to be no other properly adopted Commission-developed rule or policy that appears applicable. Indeed, the Forms 525 permit revisions, and neither the forms nor the instructions to the forms include any time limitation on revisions.[17]

In the *Program Management Order* the Commission did address record retention requirements as part of its efforts to "safeguard the USF programs from waste, fraud and

[14] Comments of the Universal Service Administrative Company, WC Dkt. No. 05-195, *et al.*, Oct. 18, 2005, at 43.

[15] *Id.* at 150.

[16] *Report and Order, Comprehensive Review of the Universal Service Fund Management, Administration and Oversight, ("Program Management Order")*, WC Dkt. No. 05-195, *et al.*, FCC 07-150, Rel. Aug. 29, 2007.

[17] FCC Form 525, OMB Control No. 3060-0986.

abuse."[18] With respect to the high-cost program, the Commission now requires recipients of universal service support to retain records for five years, stating "The use of true-ups and documentation of historical costs inclines us to err on the side of a longer, rather than a shorter, period."[19] The *Program Management Order* establishes an "administrative limitation period" that sets forth the five years time frame for audits and investigations.[20]

To give beneficiaries the opportunity to correct the record during the five year audit time frame in instances of clerical or ministerial error is in the public interest.[21] Camellia seeks to correct mistakes in its previous filings, and the Commission should order USAC, despite its "administrative policy" to allow revisions during the time period that Camellia is subject to audit.

GRANT OF THIS WAIVER REQUEST IS IN THE PUBLIC INTEREST

Section 1.3 of the Commission's rules specifies that the Commission may grant a waiver of the application of any of its rules for "good cause shown." The Commission may take into account considerations of hardship, equity or more effective implementation of overall policy on an individual basis. Courts have affirmed the Commission's power to waive its rules if special circumstances warrant waiver, and grant of the waiver serves the public interest.[22]

Camellia has styled this request as a waiver, should the Commission decide a waiver is necessary for it to order USAC to accept the revisions. The OMB-approved Form 525 permits revisions to previously submitted data, and makes no mention of a two year limitation. As noted

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[18] *Id.* at 16, para. 29.
[19] *Id.* at 14, para. 24.
[20] Commission rules require that a notice of apparent liability be issued within five years of violation, *see* Section 1.80 of the Commission's Rules.
[21] *See Program Management Order* at 17, para. 30.
[22] *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. 1990).

above, Camellia seeks to file revisions both to assure that correct information is on file, and also to obtain funds to serve its rural customers.

Failure to receive the appropriate USAC funding would impose hardship on Camellia and its customers. As noted above, Camellia provides excellent service to its rural customers, and provides Lifeline service to most citizens below the poverty line in its service territory. Camellia made diligent efforts to employ outside assistance to make the filings and meet all requisite USAC deadlines. Camellia provided timely line count information, and now would like to provide revisions to correctly disaggregate the line count information. The Form 525 permits revisions, and neither the form nor any rules contain any time limitation on revisions. USAC does not have statutory authority to adopt policy on its own motion. Special circumstances that meet the Commission's standards for waiver exist in facts presented here.

If Camellia fails to obtain the USF funds at issue here, such loss will have a negative impact on Camellia's plans to provide service to its customers. Camellia respects the deadlines established by the Commission and USAC. Camellia respectfully submits, in light of the special circumstances, and the hardship and inequity that would result if a waiver is not granted,[23] that good cause exists to grant a waiver of the Commission's rules to permit Camellia to receive the support at issue.

As noted above, Camellia's new outside accountants, working with Camellia personnel, discovered the issues with the IAS payments after an internal review of payments and compliance, and further consultation with USAC. This total amount of funding attributable to disaggregation issues that Camellia has not yet received from USAC totals $48,451.87, and approximately $13,474 of that amount falls outside the two year "administrative policy"

[23] *See* Declarations of Evelyn Causey and Rod Ballard attached as Exhibits 1 and 2.

window.[24] These funds that otherwise could be used by Camellia to continue to provide the services in Alabama relied on by its customers. USAC has received all required filings from Camellia, and is in possession of all other necessary data to make the calculations for payment. Therefore, Camellia respectfully submits that grant of this waiver will not cause undue administrative burden on the USAC or the FCC, and the great benefit to the public interest outweighs any small burdens that might result. Given the special circumstances presented in this request, waiver of the rules would not undercut the purpose of the rules, and would serve the public interest.

Camellia has reviewed and revised its procedures to assure that it will comply with the all required deadlines and USAC requirements in the future.[25] It has employed new accountants, and sought advice of legal counsel, and as a result is incurring additional auditing and legal expenses to address the need for revisions to correct the record and obtain the funding it uses to serve its rural customers.

Thus, Camellia petitions the Commission to order USAC to accept the revisions filed by Camellia, and waive, if necessary Section 54.307(c), because to do so would be equitable and in the public interest. Grant of a waiver to Camellia would benefit its rural customers. Granting such relief would be only a minor administrative inconvenience to USAC, because it already has all the information it needs to make the payments in question.

COMMISSION POLICY SUPPORTS GRANTING THE REQUESTED WAIVER

Good cause exists to grant the requested waiver, and the special circumstances described above. Several carriers have received waivers for issues involving IAS filings.

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[24] *Id.*
[25] *Id.*

On October 27, 2005, the Commission granted a waiver to Citizens Communications and Frontier Communications, (jointly referred to as "Frontier").[26] Due to an internal reorganization, Frontier failed to make timely IAS line count filings, resulting in a potential $9.6 million loss of IAS funding. The Commission found that this loss could cause significant hardship to the rural, insular and high cost areas served by Frontier. The Commission noted that grant of the waiver would not create a hardship for USAC or other funding recipients.

Another large company, Valor Telecommunications of Texas, received a waiver from the FCC in January 2006 when its IAS filing was inadvertently filed with NECA rather than USAC and the Valor employee was under the impression that the filing would be forwarded by NECA to USAC.[27] When USAC sought recovery of $1.5 million in IAS funding from Valor, Valor argued that such action would constitute an onerous and inequitable penalty on Valor and its customers. The Commission agreed, and exercised its discretion to waive the rule where considerations of hardship, equity, or more effective implementation of overall policy on an individual basis warrant deviation from the rules.

Camellia does not have the same operational infrastructure, revenue or resources as Frontier or Valor. Camellia is a rural carrier that uses the small amount of support it receives to provide quality services to its rural customers. It relied on an outside consultant it believed to be experienced in USAC filings, but Camellia later discovered that clerical and ministerial mistakes occurred. Grant of waiver to this small rural company will not create a hardship for USAC or

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[26] *Citizens Communications and Frontier Communications Petition for Waiver of Section 54.802(a) of the Commission's Rules*, Order, CC Docket No. 96-45, DA 05-2829 (Wireline Competition Bureau 2005), ("Frontier Order").

[27] *Valor Telecommunications of Texas, L.P. Request for Review of Decision of Universal Service Administrator; Petition for Waiver and/or Clarification of Filing Deadline in 47 C.F.R. Section 54.802(a)*, CC Docket No. 96-45, Order, DA 06-73 (Wireline Competition Bur. 2006) ("Valor Order").

any other funding recipients. Grant of a waiver will preserve and advance universal service policy principles.

The Commission has considered policy and equitable considerations, and avoidance of undue hardship, to allow companies to correct errors and omissions in filings. For example, in the recent case in involving Aventure Communications Technology, LLC, the Wireline Competition Bureau permitted waiver of the FCC Form 499-Q revision period to allow correction of erroneous revenue numbers to avoid a large USF overpayment.[28]

The Commission recognizes that "the complicated nature of our applications and the presence of USAC rules that are not published contribute to ministerial errors."[29] Information about disaggregated zones is complicated, and the prior consultant's filings omitted key zone information, even though the line counts were timely filed. The Commission posed the question in the *Program Management NPRM* whether funds should be recovered for ministerial or clerical errors, but did not address or resolve that question in the *Program Management Order.*[30]

Camellia respectfully requests, for all the reasons stated above, that it be permitted to correct omissions in its filings during the audit period. Camellia respectfully requests that the

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[28] *Aventure Communications Technology, LLC, Request for Review of USAC Rejection Letter and Request for Waiver of USAC 45 Day Revision Deadline,* CC Dkt. 95-45 *et al.*, (Wireline Competition Bureau, June 26, 2008).
[29] *Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, ("Program Management NPRM")* FCC 05-124, 20 FCC Rcd 11308, June 14, 2005, at para. 74.
[30] *Id.* at para. 89; *see also Program Management Order, supra note 11.*

Commission waive, if necessary, application of the deadline set forth in Section 54.307(c) of its rules, and consider the revisions to Form 525, as timely for purposes of payment of USF support.

Respectfully submitted,

HAYNEVILLE FIBER TRANSPORT, INC.
d/b/a CAMELLIA COMMUNICATIONS

By its Attorney

Phyllis A. Whitten
1629 K Street, N.W.
Suite 300
Washington, D.C. 20006
(202) 550-0722

Date: August 15, 2008

Exhibit 1

Declaration of Evelyn Causey

1. I, Evelyn Causey, am Chief Financial Officer ("CFO") of Camellia Communications ("Camellia"). I am familiar with Camellia's finances and operations, and am authorized to make this Declaration on behalf of Camellia.
2. This Declaration is submitted in support of Camellia's Petition for Waiver of Section 307 (c) of the Commission' Rules ("Petition").
3. Camellia provides telephone and broadband services to customers in the Greenville, Alabama area. I have reviewed demographic, census and customer data for Camellia's service area. That data reveals that over twenty-five percent of the residents of Camellia's service territory have incomes below the federal poverty line, and that twenty-four percent of Camellia's customers are eligible for Lifeline service.
4. Upon initiation of service, Camellia hired a consultant it believed to be expert in universal service filings. Camellia has timely filed all necessary paperwork to receive universal service support. Camellia worked with the consultant, by each month having a staff member transmit the basic subscriber information needed to complete the forms to the consultant, and the consultant, in consultation with Camellia, making the required filings on a timely basis with USAC.
5. In an effort to review our universal service and related regulatory issues, in December 2007 we retained a new firm, Jackson Thornton, an accounting firm located in Montgomery, Alabama. After a review of our filings and compliance efforts, we discovered that our earlier filings, while timely filed and containing the correct line count information, erroneously listed all subscribers in Zone 1 instead of distributing customers to three applicable geographic aggregation zones.
6. This omission affected receipt of the correct amount of funds from USAC. As a small company operating in a rural area, universal service funds make a huge difference in our ability to provide needed services to rural customers.

7. Camellia has worked with our new accounting firm to implement new company procedures to correctly report and review the accuracy of its universal service filings. To assure the ongoing accuracy and completeness of the information on file with USAC, we have filed revisions on Form 525, and we have authorized the preparation of this Petition for Waiver.

8. I declare under penalty of perjury that I have reviewed the aforementioned Petition and the facts stated therein, of which I have personal knowledge, are true and correct to the best of my knowledge, information and belief.

Evelyn Causey
Evelyn Causey
Chief Financial Officer
Camellia Communications

Date: 8/12/08

Exhibit 2

Declaration of Rod Ballard

I, Rod Ballard, do hereby declare under penalty of perjury as follows:

1. I am a certified public accountant and Principal in the accounting firm Jackson Thornton in Montgomery, Alabama. I specialize in telecommunications regulatory issues.

2. This Declaration is submitted in support of Camellia Communications ("Camellia") Petition for Waiver of Section 54.307(c) of the Commission's Rules filed in Common Carrier Docket No. 96-45 ("Waiver Petition"). I have been retained to provide accounting and consulting services to Camellia, including reviewing Universal Service Fund issues, and assuring Camellia's regulatory compliance with the rules and policies of the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC").

3. I declare and certify that I have been asked to quantify for Camellia the lost IAS revenue for Camellia. This total amount of funding attributable to geographic disaggregation issues that Camellia has not yet received from USAC totals $48,451.87, and approximately $13,474 of that amount falls outside the USAC 24 month "administrative policy" window. Camellia has filed with USAC all the required Forms 525 to make revisions to previously filed information. I make this declaration to assist Camellia's attempt to recoup the funds necessary to serve its rural customers.

4. I have worked with Camellia to assure future regulatory compliance. Camellia's Chief Financial Officer, Evelyn Causey has requested that my firm review and assist Camellia with FCC and USAC filings and related regulatory compliance efforts, and I have consulted with experienced communications counsel to assist in compliance efforts.

5. I have reviewed Camellia's records and discussed the facts with Camellia's CFO and her staff, and the facts stated above are based upon my personal knowledge and review, and are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Rod Ballard

Rod Ballard

Date: 8/11/08

Exhibit 3

USAC "Administrative Policy" Printed From its Website

12/1/2006

Change to Administrative Practices Regarding Line Count Revisions by Competitive Eligible Telecommunications Carriers (CETCs). All CETCs, or their agents, are required to file line counts with USAC using Form 525 on a quarterly basis.

Beginning January 1, 2007, CETCs may only submit line count revisions no later than twenty-four (24) months after the initial line count filing. For example, line counts submitted on September 30, 2006 as of March 31, 2006 may be revised up to September 30, 2008. This change is being made to ensure that line count revision practices are the same for both incumbent carriers and CETCs. The change in practice will also ease USAC's administrative burden as well as ensure that carriers are paid promptly on their line count revisions.

In the event that CETCs do make line count revisions within the twenty-four (24) month window discussed above, USAC will determine the timing of payment processing or recovery based on the CETC line count revision. When a line count revision significantly increases prior period payments for a CETC, USAC may postpone payment of the prior period adjustment caused by the line count revision until such time that the amount can be included in the USAC quarterly demand projection filing made with the FCC. Under the preceding circumstance, the prior period adjustment for the line count revision will be paid by USAC to the CETC in the calendar quarter for which the demand projection was filed with the FCC.

If you have any questions, please call the USAC High Cost Customer Service Center at 1-877-877-4925.

CERTIFICATE OF SERVICE

I, Phyllis A. Whitten, hereby certify that on this 15th day of August 2008 copies of the foregoing Petition for Waiver were delivered by e-mail to those marked (*) and by First Class mail to the following:

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