Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of Request for Clarification by Aztek Networks of RAO 21 Regarding Installation of Emergency Standalone Routers in Remote Terminals	WC Docket No. 08-235

REPLY COMMENTS OF JOHN STAURULAKIS, INC.

John Staurulakis, Inc. ("JSI") hereby files these reply comments in response to the Federal Communications Commission's ("FCC's") invitation to comment on a request filed by Aztek Networks ("Aztek") in which Aztek seeks clarification of the Responsibility Accounting Officer Letter 21 ("RAO 21") to "'ensure that the installation of emergency standalone routing capability in a device that is and has been a remote terminal or concentrator will not, in and of itself, require . . . a remote terminal or concentrator to be reclassified as a switch."[1]

JSI is a consulting firm offering regulatory, financial and business development services to more than two hundred rate-of-return rural incumbent local exchange carriers ("LECs") throughout the United States, all of which receive high-cost universal service support. As such, JSI is very familiar with RAO 21 and its implications with respect to the installation of Emergency Stand-Alone ("ESA") routers in remote terminals.

[1] Pleading Cycle Established For Request For Clarification by Aztek Networks of RAO 21 Regarding Installation of Emergency Standalone Routers in Remote Terminals, WC Docket No. 08-235, Public Notice, DA 08-2637 (rel. Dec. 3, 2008) at 1 (citing Letter from John T. Nakahata, Counsel for Aztek Networks, Harris Wiltshire & Grannis, LLP, to Dana Shaffer, Chief, Wireline Competition Bureau, FCC at 1 (Oct. 10, 2008) ("Request").

JSI supports Aztek's Request and notes that no commenters opposed the Request. JSI concurs with Aztek's observation that "[w]ithout a clarification of RAO 21, some rate-of-return carriers, fearing adverse accounting impacts, will refrain from installing back-up routing capability, even though such capability is essential to ensuring that users can continue to reach emergency services."[2] To illustrate this "potential disincentive," Aztek states,

> [t]ake, for example, a rural carrier that receives High Cost Loop Support and Interstate Common Line Support. That rural carrier receives High Cost Loop Support because its study area average unseparated loop costs are greater than 115% of the adjusted nationwide average cost per loop, and Interstate Common Line Support because it cannot recover its interstate allocated loop costs solely through its subscriber line charge rates. That rural carrier has remote concentration, within its network, the costs of which are allocated as loop costs following RAO 21. If that rural carrier now installs ESA capability in the concentrator, the rural carrier may then be required by RAO 21 to reclassify the remote concentrator as a remote switch because the remote concentrator will now be capable of switching some calls (calls within the remote and to emergency services) even when the feeder link to the switch is cut. That reclassification would remove not only the costs of the concentrator from the 'loop' category, but also the costs of the upstream feeder as well, which now becomes 'trunk' plant that connects switches, rather than loop plant connecting a switch with the end user. For the rural rate-of-return carrier, the amount of its 'loop costs' then falls, and so does its universal service support. The financial penalty for installing ESA capability call thus be substantial and certainly was not the intended purpose of RAO 21. In many cases, rural rate-of-return carriers will forego implementing ESA capability rather than run the risk of losing a substantial amount of universal service support due to an accounting reclassification of its plant.[3]

This unintended consequence of the application of RAO 21 is indeed contrary to the public interest. As demonstrated in a recent press release, "Aztek's ESA solutions are specifically designed to help ensure public safety by continuously maintaining local calling capabilities and subscriber access to emergency 911 services in the event the link to the primary host switch is severed due to an accident or natural disaster."[4] Because of these public safety benefits, rural rate-of-return carriers should be encouraged to install the ESA routers and not discouraged due to confusion over the application of RAO 21. Granting of the Request would

[2] Request at 1-2.
[3] *Id.* at 4.
[4] "Northwest Communications Cooperative Selects Aztek Networks' ESA Solution to Ensure Network Resiliency," Aztek press release, rel. Nov. 17, 2008 at 1.

remove the confusion and any unintended disincentives for installing the equipment, thus advancing the public interest. Accordingly, the FCC should grant the Request and do so in an expeditious manner.

Respectfully submitted,

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