

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Comment Sought on Request for Universal) WC Docket No. 05-337
Service Fund Policy Guidance Requested by) WC Docket No. 06-122
the Universal Service Administrative Company) CC Docket No. 96-45

REPLY COMMENTS
of
GVNW CONSULTING, INC.

GVNW Consulting, Inc.
Kenneth T. Burchett
Master Consultant
P.O. Box 2330
Tualatin, OR 97062

Jeffry H. Smith
VP, Western Region Division Manager
Chairman of the Board
P.O. Box 2330
Tualatin, OR 97062

INTRODUCTION AND BACKGROUND

GVNW Consulting, Inc. (GVNW) is a management consulting firm that provides a wide variety of consulting services, including regulatory and advocacy support on issues such as universal service, jurisdictional separations, intercarrier compensation reform, and strategic planning for communications carriers in rural America. The purpose of these reply comments is to respond to the Public Notice in the above referenced proceeding which was released on September 28, 2009 (DA 09-2117).

GVNW concurs with the other respondents who encourage the Commission to provide the needed guidance to USAC regarding the issues included in USAC's request.

DOCUMENT RETENTION RULES SHOULD BE APPLIED ON A GOING FORWARD BASIS

The Commission should clarify that Part 54.202(e) should be administered on a going forward basis, starting with the date of its adoption and should not be applicable to periods prior to its adoption.

THE COMMISSION SHOULD CLARIFY THAT THE TAXES ON INCOME PASSED ON TO SUBCHAPTER S OWNERS SHOULD BE INCLUDED IN THE COST RECOVERY OF THE RURAL ILEC

Rural ILEC's that are incorporated under Subchapter S of the Internal Revenue Code pass their income to the owners who in turn pay the Federal and State income tax on this income. These companies have included this tax as part of their revenue requirement. We agree that the Commission should clarify that this additional tax paid by the individual owners of the Subchapter S companies is includable in the revenue requirement for NECA pooling and for inclusion in the universal service fund.

IT IS UNNECESSARY TO INDIVIDUALLY LIST SUPPORTED SERVICES IN ADVERTISING

GVNW agrees that the Commission should clarify the need to advertise supported services does not require an individual listing of the services that are required per Part 54.101(a)(1)-(a)(9). Many of these services are bundled into what the customers recognize as “local service” and a requirement to individually list the services using the regulatory wording contained in the rules would be confusing to the customers.

CONCLUSION

GVNW encourages the Commission to provide the requested guidance to USAC. GVNW also supports the recommendation made by AT&T that the Commission set up procedures to address USAC’s request for guidance in a more timely manner. GVNW respectfully requests that procedures be implemented to elicit more timely response from the Commission on cost allocation issues submitted by all parties who are subject to the Commission’s cost allocation rules i.e. Parts 32, 36, 54, 64, 65, and 69.

Respectfully Submitted

Via ECFS

GVNW Consulting, Inc.

Kenneth T. Burchett
Master Consultant
P.O. Box 2330
Tualatin, OR 97062
Email: kburchett@gvnw.com