

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

In the Matter of)	
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Coalition for Equity in Switching Support)	
Petition for Clarification)	
_____)	

COMMENTS OF THE ALASKA TELEPHONE ASSOCIATION

The Alaska Telephone Association offers these comments in support of the staff proposal to modify the rules to permit incumbent local exchange carriers (LECs) that are designated as eligible telecommunications carriers (ETCs) and have experienced a decrease in access lines to receive Local Switching Support (LSS) commensurate with similarly situated providers.

In general, small incumbent carriers do not enjoy the economies of scale of larger carriers. To mitigate their higher per access line switching costs, the Commission established rules to permit carriers with 50,000 or fewer access lines to attribute higher DEM weighting factors to the interstate jurisdiction.

In 2001 the Commission froze all interstate and intrastate allocation cost factors for a five year period except for the DEM weighting factor for LSS. The obvious intent of the exception was to prevent over recovery if a carrier's access line increases moved it to a level at which a lower weighting factor should be appropriately applied or, if the line increase brought the carrier to the 50,000 line level, to which no weighting factor was necessary. In 2006 the separations freeze was extended until 2009.

While crafting rules to safeguard against over recovery for carriers experiencing line growth, the Commission did not provide for instances of diminishing access lines and the attendant need for weighted switching support for carriers whose number of access lines moved from above 50,000 to below that threshold or ones that dropped across the 20,000 line or the 10,000 line marks. Essentially the 2001 separations freeze and its extension prevented carriers in these situations from receiving the switching support the Commission recognized as being necessary when it first crafted the weighted DEM policy.

Staff's tentative conclusion to modify the rules to permit LEC ETCs whose access lines have decreased to receive LSS comparable to like situated carriers is appropriate, reasonable and equitable. Specificity as to the effective date of the change is necessary as the proposal might be interpreted as to permit retroactive recovery back to 2001 or perhaps only from the date of the rules change forward. Although the impact on the total amount of the universal service fund, even if retroactive recovery was permitted, would be de minimis, we propose that the rule modification be implemented immediately, but only apply to reporting periods subsequent to January 1, 2008.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jim Rowe", with a long horizontal flourish extending to the right.

Jim Rowe
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November 24, 2009