

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

In the Matter of)
)
Jurisdictional Separations and Referral to the) CC Docket No. 80-286
Federal-State Joint Board)

COMMENTS OF TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

Texas Statewide Telephone Cooperative, Inc. (TSTCI) offers these comments in response to the Notice of Proposed Rulemaking¹ with regard to extending until June 30, 2011, the current freeze of jurisdictional separations category relationships and cost allocation factors in Part 37 of the Commission's rules. TSTCI is an association representing 38 small, rural incumbent telephone companies and cooperatives in Texas (see Attachment 1).

In 2009 the Commission sought comment through another NPRM² on extending the freeze for one year until June 30, 2010. TSTCI filed comments at that time and supported the extension of the freeze for at least one year. In fact, TSTCI stated that they would not be opposed to a longer extension so there would be sufficient time to consider and comment on comprehensive separations reform.³ TSTCI's position supporting an extension has not changed; TSTCI now supports extending the jurisdictional separations freeze at the very least until June 30, 2011. In light of the recommendations made in the National Broadband Plan relative to the high-cost universal service fund and intercarrier compensation reform, as well as the still-anticipated recommendations regarding separations reform from the Joint Board, TSTCI

¹ *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Notice of Proposed Rulemaking, Released March 29, 2010.

² *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Notice of Proposed Rulemaking, 24 FCC Rcd 4227 (2009) (*2009 Separations Freeze Extension Notice*).

³ See Comments of Texas Statewide Telephone Cooperative, Inc. (TSTCI Comments) filed April 17, 2009, page 2.

respectfully suggests that instead of a date certain for extension of the freeze, the Commission consider extending the jurisdictional separations freeze until a maximum of one year from the date of the issuance of Commission orders reforming the current high-cost USF support rules and ICC rules. Because the high-cost USF rules, ICC rules and jurisdictional separations reform are inextricably related, this approach was recommended last year in joint comments filed by several associations representing ILEC interests.⁴ One advantage is that the industry will have time to adapt separations policies and procedures to the newly-established ICC and USF reform initiatives. Also, refraining from a date certain, but extending the freeze a maximum period of one year following issuance of Commission orders will avoid an additional proceeding regarding further extension of the freeze if the order(s) are delayed.

Regardless of whether there is an extension of the freeze to a date certain or not, TSTCI strongly encourages the Commission not to allow the separations freeze to expire on June 30, 2010. Previously, TSTCI stated its concern if the jurisdictional separations freeze was allowed to expire and small rate-of-return companies were required to revert to the pre-freeze separations rules.⁵ Such a requirement would cause a hardship for many small companies because of the additional administrative expense. Many small companies lack the software and trained internal personnel who could implement the pre-freeze cost allocation process in such a short time frame. It is unlikely these processes and the personnel dedicated to these tasks have been maintained since the freeze was instituted in 2001. There would also be additional expense involved for those small rate-of-return cost companies who rely on cost study consultants to perform the cost study functions. It would be particularly wasteful of time, money, and resources to revert to

⁴ See Comments of the National Exchange Carrier Association, Inc., National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, Eastern Rural Telecom Association, Western Telecommunications Alliance, *In the Matter of Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, p. 6.

⁵ See TSTCI Comments, page 1.

outdated pre-freeze separations processes at a time when substantial change is occurring in the universal service fund and intercarrier compensation regimes, and separations reform issues have not been resolved.

Additionally, TSTCI supports allowing rate-of-return carriers who elected to freeze category relationships in 2001 an opportunity to update those factors. These companies should be able to calculate current interstate revenue requirements based on today's data, rather than allocations reflecting network investment environments almost ten years old.

TSTCI supports the Commission's proposed extension of the current separations freeze beyond June 30, 2010, and appreciates the opportunity to provide comments regarding an issue of considerable importance to its member companies.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cammie Hughes".

Cammie Hughes
Authorized Representative
Texas Statewide Telephone Cooperative, Inc.
April 19, 2010

TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

Alenco Communications, Inc.
Big Bend Telephone Company, Inc.
Brazos Telecommunications, Inc.
Brazos Telephone Coop., Inc.
Cameron Telephone Company
Cap Rock Telephone Coop., Inc.
Central Texas Telephone Coop., Inc.
Coleman County Telephone Coop., Inc.
Colorado Valley Telephone Coop., Inc.
Community Telephone Company, Inc.
Cumby Telephone Coop., Inc.
Dell Telephone Coop., Inc.
E.N.M.R. Telephone Coop., Inc.
Eastex Telephone Coop., Inc.
Electra Telephone Company
Etex Telephone Coop., Inc.
Five Area Telephone Coop., Inc.
Ganado Telephone Company, Inc.
Hill Country Telephone Cooperative, Inc.
Industry Telephone Company, Inc.
La Ward Telephone Exchange, Inc.
Lake Livingston Telephone Company
Lipan Telephone Company, Inc.
Livingston Telephone Company
Mid-Plains Rural Telephone Coop., Inc.
Nortex Communications, Inc.
Panhandle Telephone Coop., Inc.
Peoples Telephone Coop., Inc.
Poka Lambro Telephone Coop., Inc.
Riviera Telephone Company, Inc.
Santa Rosa Telephone Coop., Inc.
South Plains Telephone Coop., Inc.
Tatum Telephone Company
Taylor Telephone Coop., Inc.
Wes-Tex Telephone Coop., Inc.
West Plains Telecommunications, Inc.
West Texas Rural Tel. Coop., Inc.
XIT Rural Telephone Coop., Inc.