



INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

April 20, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Jurisdictional Separations and Referral
to the Federal-State Joint Board
CC Docket No. 80-286**

Dear Ms. Dortch:

The Independent Telephone & Telecommunications Alliance (ITTA) hereby submits these letter comments in the above-captioned proceeding.¹ ITTA is an alliance of mid-size telephone companies whose members collectively serve 24 million access lines in 44 states, and offer subscribers a broad range of high-quality wireline and wireless voice, data, Internet, and video services. ITTA supports extension of the current freeze of Part 36 category relationships and jurisdictional cost allocation factors for a period of not less than one year following implementation of final Universal Service Fund (USF) and intercarrier compensation (ICC) reform. ITTA supports a freeze that will ensure that future modification of any separations requirements will be to complement, rather than complicate, the Commission's anticipated USF and ICC efforts that will presumably be informed by the National Broadband Plan proceeding.

In 2009, the Commission extended the separations freeze for one year; the current freeze is due to expire on June 30, 2010. When implementing the current freeze, the Commission explained,

allowing the separations process to revert to the pre-freeze rules would create undue instability and administrative burdens while the Commission is considering comprehensive separations reform. If the Commission did not extend the separations freeze, and instead allowed the earlier separations rules to return to force, carriers would be required to reinstitute their separations processes. Many carriers no longer have the necessary employees and systems in place to comply with the old jurisdictional separations process and likely would have to hire or reassign and train employees and redevelop systems for collecting and analyzing the data necessary to perform separations.²

¹ See, *Jurisdictional Separations and Referral to the Federal-State Joint Board: Order and Further Notice of Proposed Rulemaking: Notice of Proposed Rulemaking*, CC Docket No. 80-286, FCC 10-47 (Mar. 29, 2010).

² See *Jurisdictional Separations and Referral to the Federal-State Joint Board: Order and Further Notice of Proposed Rulemaking*, CC Docket No. 80-286, 24 FCC Rcd 6162, at para. 12 (2009) (internal citations omitted).



The same justifications that supported the Commission's finding last year attend today. Re-imposing the separations processes would introduce significant and needless administrative burdens and costs on carriers. That matter alone, however, does not underlie ITTA's support for extension of the freeze. Rather, ITTA supports an extension of the freeze that should be linked to USF and ICC reform. As ITTA has noted previously in this docket, a return to earlier separations rules before comprehensive USF and ICC reform are completed could lead to inefficient scenarios in which carriers upgrade training, recruiting, and technical development to meet requirements of an unknown and quite possibly very temporary duration. The Commission's recently-released "Broadband Action Agenda"³ anticipates the release of "USF Transformation" and ICC rulemakings in 4Q10. Rather than submit to the effects of an unnecessary expiration of the freeze, a far more prudent approach would be to continue apace with ICC and USF reform, and to then incorporate newly-adopted paradigms from those proceedings into subsequent action on separations. ITTA further recommends that a simple one-year stop-gap extension is neither prudent nor effective; rather, any extension should be extended for a term certain following implementation of pending USF and ICC reform.

In all events, extension of the freeze is warranted. If the freeze expires, carriers will incur costs related to recruiting and training staff with the specialized skills sufficient to implement separations processes. Moreover, the regulatory requirements that may be in place upon the proposed expiration of the freeze could be rendered immaterial by pending USF and ICC reform. The more rational, administratively efficient, and fiscally prudent approach is to defer any expiration of the freeze until one-year after implementation of final ICC and USF rules. This approach is especially sensible in light of the outstanding question as to whether separations are or will be necessary or appropriate in an impending regulatory environment. Separations emerged in an era in which the industry generated clear distinctions between interstate and intrastate services, and the rules now apply to only a segment of a thriving competitive industry. As the industry moves toward a collective model in which the nexus between costs and jurisdictions begins to fade, however, it is not clear that future overhauls will contemplate a continuation of this model. In the interim, however, its maintenance is necessary to ensure adequate stability while major reforms are planned and implemented.

For these reasons, ITTA urges the Commission to extend the separations freeze for at least one year following implementation of comprehensive ICC and USF reform. At the least, implementation of those reforms will likely be associated with a transition phase during which the Commission can reassess the proper role of separations and the manner in which, if any, separations processes should continue.

Respectfully submitted,

s/ Joshua Seidemann

Joshua Seidemann

Vice President, Regulatory Policy

³ "FCC Announces Broadband Action Agenda," Apr. 8, 2010 (available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-297402A1.doc (last viewed Apr. 14, 2010, 15:19)).

