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October 15, 2010

**VIA HAND DELIVERY**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

FILED/ACCEPTED

OCT 15 2010

Federal Communications Commission  
Office of the Secretary

Re: **REDACTED – FOR PUBLIC INSPECTION**

*In the Matter of Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337; A National Broadband Plan for Our Future, GN Docket No. 09-51*

Dear Ms. Dortch:

Please find enclosed for filing two redacted copies of documents containing confidential financial information requested by the Wireline Competition Bureau and responsive to Paragraph 4.h in the Commission's National Broadband Plan Public Notice #19.<sup>1</sup> Pursuant to the *Protective Order* in the above-referenced proceedings,<sup>2</sup> one original confidential version of these documents is being filed with the Office of the Secretary under separate cover today, and two copies of the original confidential version will be provided to Lynne Hewitt Engledow of the Wireline Competition Bureau.

<sup>1</sup> National Broadband Plan Notice # 19, *Comment Sought on the Role of the Universal Service Fund and Intercarrier Compensation in the National Broadband Plan*, GN Docket Nos. 09-47, 09-51, 09-137 (Nov. 13, 2009).

<sup>2</sup> *In the Matter of Developing a Unified Intercarrier Compensation Regime; Establishing Just and Reasonable Rates for Local Exchange Carriers; Connect America Fund; High-Cost Universal Service Support; A National Broadband Plan for Our Future*, Protective Order, CC Docket No. 01-92, WC Docket Nos. 07-135, 10-90, 05-337, GN Docket No. 09-51, DA 10-1749 (WCB, rcl. Sept. 16, 2010) (*Protective Order*).

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Please feel free to contact me if you have any questions or concerns about this submission.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Malena F. Barzilai', with a horizontal line extending to the right.

Malena F. Barzilai

Enclosures

Impact of Changes in Current Revenue Flows (Section 4.H)

- i. 2008-2010 intercarrier compensation revenues and minutes (see Attachment A)  
2008-2010 intercarrier compensation expense and minutes (see Attachment B)
- ii. Intercarrier compensation revenue and expense as a percentage of total revenue and expense (based on 2009 data)

<u>Revenue</u>	
Intercarrier Compensation (ICC) Revenue	\$ 322,511,954



Total Revenue	\$3,809,742,000
% ICC revenue of Total Revenue	8.5%

<u>Expense</u>	
Intercarrier Compensation (ICC) Expense	\$119,774,214



Total Expense	\$2,758,833,0000
% ICC expense to Total Expense	4.3%

- iii. Identify portion of total intercarrier compensation that is subject to dispute due to issues or concerns over the proper classification or jurisdiction of the traffic.

Non Quantifiable Issues

- Phantom Traffic
  - Carriers terminate access traffic via local interconnection trunks to avoid access compensation.
  - Carriers provide an incorrect originating number to disguise the jurisdiction of the call (Google Voice preliminary results).
- JIP Factor
  - Wireless MTSOs provide switching functions across state boundaries.
  - JIP provides the location of the MTSO not the cell tower that first handled the call resulting in improper jurisdiction of the call.
- IP-Originated Traffic
  - Terminating carries do not have the ability to determine whether a call was originated in TDM or IP protocol.
  - Verizon provided notice to Windstream that it would compensate Windstream for IP originated traffic at \$0.0007/minute.

**Attachment A**

Switched Access Revenues (\$000)

	2008	2009	2010 YTD Annualized
Interstate Originating	\$ 37,429	\$ 31,368	\$ 26,190
Interstate Terminating	\$ 33,468	\$ 27,742	\$ 26,296
Total Interstate	\$ 70,896	\$ 59,110	\$ 52,486
Intrastate Originating	\$ 109,673	\$ 95,572	\$ 78,296
Intrastate Terminating	\$ 140,920	\$ 121,174	\$ 113,268
Total Intrastate	\$ 250,593	\$ 216,746	\$ 191,564
Reciprocal Compensation	\$ 54,042	\$ 46,657	\$ 48,758
Total Switched Revenues	\$ 375,531	\$ 322,512	\$ 292,808

Switched Access Minutes (000)

	2008	2009	2010 YTD Annualized
Interstate Originating	5,049,239	4,470,046	3,936,855
Interstate Terminating	4,830,980	4,359,119	4,110,143
Total Interstate	9,880,219	8,829,165	8,046,998
Intrastate Originating	3,174,918	2,815,396	2,151,945
Intrastate Terminating	3,900,863	3,393,508	3,041,547
Total Intrastate	7,075,781	6,208,904	5,193,492
Reciprocal Compensation	5,579,795	4,723,133	4,841,114
Total Switched MOU	22,535,795	19,761,202	18,081,604

Composite Rates

	2008	2009	2010
Interstate Originating	0.0074	0.0070	0.0067
Interstate Terminating	0.0069	0.0064	0.0064
Total Interstate	0.0072	0.0067	0.0065
Intrastate Originating	0.0345	0.0339	0.0364
Intrastate Terminating	0.0361	0.0357	0.0372
Total Intrastate	0.0354	0.0349	0.0369
Reciprocal Compensation	0.0097	0.0099	0.0101

\*\* D&E Data started Dec-09

\*\* Lexcom Data started Feb-10

**Attachment B**

Switched Access Expenses (\$000)

	2008	2009	2010 YTD Annualized
Interstate Originating			
Interstate Terminating			
Total Interstate			
Intrastate Originating			
Intrastate Terminating			
Total Intrastate			
Reciprocal Compensation			
Total Switched Expense		\$ 119,774	

Switched Access Minutes (000)

	2008	2009	2010 YTD Annualized
Interstate Originating			
Interstate Terminating			
Total Interstate			
Intrastate Originating			
Intrastate Terminating			
Total Intrastate			
Reciprocal Compensation			
Total Switched Expense MOU			

Composite Rates

	2008	2009	2010 YTD Annualized
Interstate Originating			
Interstate Terminating			
Total Interstate			
Intrastate Originating			
Intrastate Terminating			
Total Intrastate			
Reciprocal Compensation			

**Summary of Windstream's R1 Rates With and Without SLCs**

Data as of 08-31-2010

**R1 Rates With SLCs**

Count of Exchange		
Range	Total	Percent
\$14.99 and Below		
\$15.00-\$16.99		
\$17.00-\$18.99		
\$19.00-\$20.99		
\$21.00-\$22.99		
\$23.00-\$24.99		
\$25.00 and Above		
<b>Grand Total</b>	<b>1,105</b>	<b>100.00%</b>

Sum of Sum of Quantity. 8/31/10		
Range	Total	Percent
\$14.99 and Below		
\$15.00-\$16.99		
\$17.00-\$18.99		
\$19.00-\$20.99		
\$21.00-\$22.99		
\$23.00-\$24.99		
\$25.00 and Above		
<b>Grand Total</b>		<b>100.00%</b>

**R1 Rates Without SLCs**

Count of Exchange		
Range	Total	Percent
\$08.99 and Below		
\$09.00-\$10.99		
\$11.00-\$12.99		
\$13.00-\$14.99		
\$15.00-\$16.99		
\$17.00-\$18.99		
\$19.00 and Above		
<b>Grand Total</b>	<b>1,105</b>	<b>100.00%</b>

Sum of Sum of Quantity. 8/31/10		
Range	Total	Percent
\$08.99 and Below		
\$09.00-\$10.99		
\$11.00-\$12.99		
\$13.00-\$14.99		
\$15.00-\$16.99		
\$17.00-\$18.99		
\$19.00 and Above		
<b>Grand Total</b>		<b>100.00%</b>