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	)	

REPLY COMMENTS OF MONROE TELEPHONE COMPANY

Monroe Telephone Company
John Dillard
President
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INTRODUCTION AND BACKGROUND

Monroe Telephone Company is a rate of return company serving approximately 900 subscribers in the state of Oregon. The purpose of these reply comments is to respond to the Notice of Proposed Rulemaking in the above referenced proceeding which was released on March 1, 2011 (FCC 11-34).

POSITION OF MONROE TELEPHONE COMPANY

Monroe Telephone Company supports the extension of the freeze but requests that the Commission affirm its rules with regards to the sub-categorization of local business office (LBO) expense as discussed in GVNW's comments in this proceeding.

In 2000, we provided a significant amount of toll billing on behalf of Sprint and AT&T. Over the years, AT&T and Sprint has taken back the toll billing for the majority of customers in our serving area. Since we are no longer doing this toll billing, it does not make sense for us to continue to allocate a significant portion of our billing cost to this service as we have no legal way to recover this isolated cost if the categorization of the LBO costs is frozen.

As a rate of return company, we opted not to freeze our categorization when the factor freeze was initiated using the year 2000 data. We ask that the Commission uphold both the spirit and the wording of the rules with regards to LBO expense and not impose a categorization freeze that distorts our company's cost assignments.

In the Commission's recent NPRM on Universal Service and Intercarrier Compensation, the Commission envisioned a transition to a broadband world in which voice service will be an application over the Internet. When this occurs, there will be no

more message toll traffic to bill for the interexchange carriers. It makes more sense to allow categorization of LBO costs using current data rather than using data from year 2000 that does not recognize a transition that the Commission is clearly anticipating.

IMPACT ON 2009 SETTLEMENTS

We have updated our 2009 categorization to reflect 2009 activity, and the results indicate that our frozen 2000 data is resulting in a shortfall in our access settlements in the amount of $32,587 for the 2009 study.

CONCLUSION

In conclusion, we support the extension of the separations freeze, with the clarifications regarding the LBO categorization for those that chose not to freeze their categorization.

Respectfully Submitted

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