Before the

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In the Matter of	
Connect America Fund	WC Docket No. 10-90
A National Broadband Plan for Our Future	GN Docket No. 09-51
Establishing Just and Reasonable Local Exchange Carriers	WC Docket No. 07-135
High-Cost Universal Service Support	WC Docket No. 05-337
Developing a Unified Intercarrier Compensation Regime	CC Docket No. 01-92
Federal-State Joint Board on Universal Service	CC Docket No. 96-45
Lifeline-Up and Link	WC Docket No. 03-109

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Ee te r

Comcastsufpuplolryts the Commission's renewed e
reform of the current regimes govern-cionsgt inter
universal ("USF") e fsom Some of the propionstaelrsesttheadt
parties, however, yanroer nteeiythhneorlutcgoimdpaeltliItnivpealrti
aspects of several reform plans apperasr design
("LECs") and to raise the costs of competing
to ensure that the changes it adopts to the e
fundamental ppruibnlciicplpeosliictysayanrounc(1)ed exaplanieirngth
broadband serviacned taoccaellleracotnisnugmetrhse conversion
netw;orak(2)sting with f;is(c3a)lirnessipsotnisnfgbioohnitaycmcpoaunnitea
that receivepr soumpoptoirnd-tgr;imwanrdk,eh(4)sved policies that
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The proposalstheadvancmedbyoLECsthelaCgemmissio
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effieeinehnacncychiamtggheastwdouucledprreesusnuMeroonvehe, absent

correct these shortcomings. The Commission should also look for opportunities to create-based approaches to provide incentives in technology.

The Commission's effort to develop and imp of intercarrier compensation for tandem-switched traffic is serve the interests of Americans to the promoting net the odfe pilnon Maximizing the benefits o consumer ultimate Commission's principal concern.

terrer o e to efor

The Commission's paramount objects it was a bias hiotuyl system that to date was deep rooted characterized and appropriate of the terminating traffic, particularly where has partnered EVC. The competitive LEC interest can divert scarce from so unrvceesst maewnaty in innovative ideas that benefit coyn, suimne prousrt. dearn Actecomordtionagsld disputes going forward basis, the Commission should:

- ***Make clear that an originating voice provider is obligated to pay the rate specified by the Commission during and after the transitional period for the termination of its traffic, regardless of the technology of the terminating network and regardless of whether the traffic is ultimately delivered to the called location by the entity assessing the termination charge.***

- ***Specify that the rules adopted in this proceeding regarding VoIP traffic are prospective only and shall have no impact on arrangements in effect prior to the effective date of the new rules.***

- ***Include tandem switching and local transport rates in the transition.***

- ***Make clear that the changes in intercarrier compensation adopted in this proceeding have no effect on the rates for or regulatory treatment of the incumbent LECs' provision of tandem transit service.*** Comcast and other competitors rely on the incumbent LECs to deliver their voice traffic to LECs, and wireless service providers rely on the treatment of such transit service, and vice versa. Thus, they may seek to raise the rates for or reduce the tandem switched traffic delivered to their

- ***Establish a shorter transition period for replacing the current ICC/USF regime with a more stable, predictable, and economically efficient system.*** There is a virtual consensus in the record of the proceeding that the ICC/USF regime is irretrievably broken and continues to encourage uneconomic pumping. The ABC Plan, however, recommends a unified market economic rate-of-return regime for the proposed transition period. Comcast and other commentators believe that the bear the costs of the transition period is a reasonable replacing that scale more possible expeditiously

Conclusion

Comcast supports the Commission's efforts to shift broadband services. However, in order to complete interests of consumers, the Commission should

- ***Cap the size of the high-cost fund at the 2010 level.*** The fundamental flaw plans propose in Exhibit 1 that they employ the size-of-the-fund high-cost fund. Consequently, they would increase in future-size and dependence on the fund. The end transition period would not serve the bear a higher economic burden as a result would be goal of "fiscally" rescaping points from the fund, return carriers, need to be subjected to a fund focus their energies on the improving growth of the fund.

- ***Take other steps to reduce the size of the fund.*** In addition, although supports the proposal to end subsidies in voice provider, the Commission should also consider that broadband support is where demand is the place depending.

- ***Use a reverse auction to allocate support*** The record in this proce
  proved designed reverse auction is a certificating method, not a
  competitive layer method of allocating. The "proi
  refusal" approach proposed by ECs would pro
  result, to the order which ownership of the costs of
- ***Employ a cost model in conjunction with the reverse auction process.*** If a reverse
  auction method designed to cost, a model would pr
  identify areas where needed and establishing a
- ***Impose build-out milestones.*** Comcast support-out milestones of
  that recipients of support fulfill their circo
  in-kind areas.

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Inthe Matter of

Connect America Fund

A National Broadband Plan for Our Future

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In undertaking the universal service and ICC reform, the Commission prioritizes: (1) unwinding the service found "Fund" "USF" regime to make affordable broad America and accelerate the transition; (2) [illegible] fiscal responsibility by ensuring that "American consumers for USF"; (3) reforming compensation [illegible] "market-driven and [illegible] that encourage tec maximize the value of scarce program [illegible] strong supports the Commission's [illegible] Members,[4] the RLEC Plan,[5] the ABC Plan,[6] FCC's four fund in mind.

Simply stated, the [illegible] carrie appear to be [illegible] the Commission's g to CCI reform, [illegible]

[illegible] Proposed Rulemaking Proposed Rule [illegible] ("[illegible]").

[3] ¶ 10.

[4] Comments of the State Members [illegible] Docket [illegible] ("[illegible] Members P

[5] Comments of NECA, NTCA, OPASTCO, [illegible] WTA, 2011) ("RLEC Plan").

[6] [illegible] Steve Davis, Century Link, Michael [illegible], Kathleen Grillo, Verizon, and Michael [illegible] Secretary [illegible] Docket [illegible] ("ABC Plan").

would decree pressure. Moreover, absent clarificat
higher interconnection. Wicks respect [illegible]
LECs' principal concern appears to be maintai
imposing regional coordinating [illegible] addition,
certain aspects [illegible]

offset a CC Ceiler ent ie mspiletent dal I t i o n o f tao faa sltoewr, t r a
pa n i f o r m e n t e r m i n a n t i o n e o R h P E l r a g n e s n c p r A o B p C o s e

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k e y s t e p i n e l i m i n a t i n g a s p e c t s c o u r t a g e **c u r r e n t s**
t h e i r c l i e g w a i c y t c h e d T n e t w C o m k n s i s s i o n , h o w e v e r , s h o u
o p p o r t u n i t i e s t o c r e a t e - b a s e d r p n a t v i d e i n s c e o t n i o v e
I P b a s e d t e I c P h n n e o t l w o o g r y k s e f a i r e i m o n t e , r e l i a b l e i , r - a c i d r c u
s w i t c h e p l a r c t o u n , t P e b n r a d s e i d n e a n n v i I r o n m e n t l , e g t a h c e g y u n l e a e t d i o f n o s r
w o u l d b y e d g i m e i B u l s , y e m a s n p e c t s y o f e - t b h e e y n C C U I r t e r m i n s a t i o
c h a r g d e s U S a F n s - u p p o r t e p r e f e r e n c e t s w o r k s a t h e t h e g a x p e
v o i c e c o F m p e t i x a m p l e , a s i n a t e r r e c s o u n l n t e c o t f i o l n e g r a u c l y e s a
c o n v e r t I P t T i a n D e i i v c i s t i o o n a n M d i D f M r i) o p n C o m a i n a d g t o e i r " P V o
p r o v i d e n u s a i l n l c y u r s u b s t a n t i a l c o s t s t h P a t c o u l d a n
i n f r a s t r u c t u r e a a l n l e d r p s a l , p a p y r l a i t c h a e t r i o t n h s a n b y p e r t o w p o p r i k n . g u p
C r e a t i n g i n c e n t i v e s f o r n e t t i w e o s r k w l o s u p l e d a r a t o n r s e t o h
F C C ' s g o a c l e o r a t i n g t h u e - s i w t i r t a c n h R e i d t e i t o w o I f k r o m c i r

W i t h r e s p e c t *t o a* U S *F* r e f o r m , C o , m *c i p a r s o t i n* o u t r e g e i s t s
c o m m i t m e n t t o f i b y c c a a p l p i r n e g s p t F h u n e s d s b i I z n l e i a o y f d i t t h i e o n , C o
a l l o c a t i n g s u p p d o r r i t v e u n s i r n e g v e t r h s e e m a a u r c k t e i t o n p r o c e s s
a c o s t m t o h d e e l u) s e - a n o d f b u i l d

provsiudbestantioalcobnesiumefirotsmspnet, tictionientptlhaecevowiiclel force providers to flow through the benefits higher, qiunanloivtaytiinvethseemvaincneesrt.hat consumers de

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Comprehensive refoermmsaotfioinntiesrciamrpreirearticvoem,pa developments in the telecommunications sector compenssyatteiAnol.thaugh comprehensive plan for addres compensation iwnivlolevienfesvriatnaonlsgeginnednutsst,rythe Commi should afdoocputsinognmceoamspulwiesthtlhat overarching refo

he o o ho E te ert t Dr fer the r to ero e r th t the te e fe the o o tBe for the er to ofBoth D e o r ff

Many fac-bilsiedeVoIP pnowiedeprsctomepdealyDEtwsivtehn order, among other things, toLEcsxchnadcgorthiearsfi Indeed, the Commission has acknowleidngeodrdtehratto compwlyith FCC requirements, such as E9P11 oblig provi[7]Therspartner LEC mayplbdeiwtiiftvheltihaeteVoIP provi be an indepfeundreinsthiengtiatywholesale service to

[7] *n , , veefe Sun-Ide eiers S eqieverms r-Ide eier S*

These partnerships plainly harmonize LEC to compel the originating TDM carriers at the access charges of the terminating voice traffic. Dissipating the LEC's service, or vie right to assess such the principal objectives of the existing to eliminate the uncertainty and li terminating charges, has been already asserted by the indus emphasizes, these problems provide a crossing at the toward broadband investment and to eliminate the

The Commission can and should eliminate th by making clear the Act, with the permitted VoIP affiliat provide cross-subsidy from the originating TDM carri

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v t, *Memorandum* Opinion and Order, 22 FCC (" *Tiem*") (" *Tiem*") *n* the Commission's empty assertions that VoIP obtain access to and interconnection with the

applicable to originating and terminating interconnect shall be on a prospective basis in order to effect the parl treatment of, or existing agreement in its entirety, VoPI traffic prior to the effective date of thi

B he o o e for ho ot fe t the ro o of e r t er e

The ABC Plan does not seek policy that would g prior vio and oefm tesd wistectrhvdietcleisv e tro tarm fefnidc o fafniocteheorwned ent, itty and ie m tr-,aTnsuitinsgedavnidceaRKAAe`eC`ctehAeaA transitio

subject to competition provisions.[17] Specifically, the Act by 251 contended that sections 251(c) apply to 251(c) connecting two networks and not at no time to an ILEC affiliate for term[18] Ailntahtoiuognh. federal courts and st[19] tahte comm Commission to date has not addressed this iss

Comcast has urged the Commission in this uncertainty regarding the provisioning transit services

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[17] AT&T Connect Brief on Reply Merits Satchl vn Tel, Nov. 3, 1978 (D. Conn. Feb. 26, 2010) ("in the Act or FCC rules Eocrsi]ck, redle ArTs&Tth Cotnnrecqui ic provide transit servi; Coemmaesn tpsa rotIf ionfle, nitwtCeyrDcoocnkneet 1090,76(aAtpr. 1(8u,rg2i0n1g1)the FCC to find that trans 251 and 252 andidterrasn shiatves eorbvlimcaen tpiartonvrty o provid ("CenturyLin"k). Comments

[18] Reepe Comme AnTt&sT oa3ft3(c3l2aiming that the Comm warrant for subjecting transit sesrevcitcieosn to th 251(c)(2) because thatpaybvinstiencompeticeisoon, lay of traffic, and that transit services are com

[19] *aun nan eeteSnesrchlTel*, Nov. 3, 1978, o 2011 U.S. D LEXS 48377 at *12 (D6., C2o0n1n1.) M(aicyonterconnectiontunde 251(c)includes the duties to provide tirnadisri; etcteienv *aa vlsetspCorCoc*, Nov. 4, 2008 Ut. SEXLIDis 102032 at *11 D(eDc.. N1e7b,. 2008) ("Based on the facts the a availaobfiliintdyirect interconnectioonfs, intdriarnescitt is intoenrnections, and Sectitoon t2r5a1n(sbi)t(i5n)g dcoaersrineorts an ILEC's interconnection to bprgavidenstrmuslie in *nvf anaetsIntunuscifin tatioroscntuenti Soteoc Cmmhtios ncatfiusaneomeadTeedcaylmmfctiostocppolielte S nfnnntEsenmrGiucsnteoIeotiototeoSTdhepDocekethNo.* 0416-U7, Order Non.du1m0,aenMd0,0Ordr ArkE.XSIPU3C388L-*a5t9 *(5Ark. PUCSep1t52,005) (transitysetcrtaifofnic25i1s(cc)o)v.ered b

to the section 251/252 [20] Agto tai antitinoiem uanon,dm iasrbiiotnr should make clear thaptrotcheedcihnagencghteasvoenadtohpeteerdfatiens the regturleaattomreyntosfertvaincdeesAnctthreaCsmicast's view, incumbEnstaLre required to offer tandem transit rates for such wetvhpticeinugtstcomplyds of secti

her to to for o tefor er t oerffho
Be o ete o e

As explained, tihe tnhaetion's isytemsarrideledow "fundamefnitaiel" itnieetshave burdened carriers, con "distorted incentivespecinfliwap"[21] "pthoadnltroemsaotudirkcefsi.c" "traffic"[22] rpeufmlpeicntg the fundamental flarwenitnrtahteesc for transporting and terminating a call depen technoulsoegdy, and sthaetuseguflatthoeryc.[23] Arsiteh deliveri correncot,tlyde wividnlgy and disphaintehraitesewcarrie system create arbitrageeorspoftuceoimtpileasnxdiatyd intr associated costysme,nwhoifchIPimeteworkesp.[24]"

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[20] Comments ofrpCoormactaisotn,CoWC-3 3,D7oac-3k0e2t(8NNoov.. 0256, 20 *ee*¶*ls*68S3 (ionviting pradrtwietsh troeg"arredfrteoshthe Commission to regulate transiting service").

[21] ¶¶ 7, 491.

[22] .¶ 7. *C*lomcastu rhgaesdptrheevi Coomsmrlyspihoannytoom: tr(a1f prohibiting providers fromfstomiptpiahfgnidcelfeevytnot other providers; and (2) deter traffic pumpin of dollars in excansitheatchimgoseanmdualyeeosts*S* CommenCtosmcoCafostporatiken, N96C0. D(1A0pr. 1, 2011).

[23] ¶*ee*-496S, 502.

[24] .¶ 496. *I*

uniform voice termination rate, and transmission of the periods of different rates [30].

In view of the discussion, an omnibus [illegible] causes the current "[illegible]" compensation, policy to supplant the existing [illegible] supports a [illegible] return incumbent LECs as well as CMRS [illegible] designed to avoid [31]. Using [illegible] TDM interstate [illegible] or terminates in a VoIP [illegible] rate [32]. The rate [illegible] termination [illegible] equal to the uniform [illegible] [33].

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[30] [illegible] at 13. [illegible]

[31] If they are exceptions to this time [illegible] return incumbent LECs [illegible] extent the FCC is concerned [illegible] incumbents, it could permit [illegible] sum of [illegible] interstate [illegible] could then assess rates equal to their [illegible] group of carriers [illegible] the transition [illegible]

[32] Non-TDM traffic would [illegible] compensation arrangements.

[33] The FCC's [illegible] practice has been to treat [illegible] called [illegible] calls, [illegible] Report and Order [illegible] FCC [illegible] Consistent with [illegible] assessed the applicable "terminating" access

Plan appears to tandem switching and transport terminating end office rates within the tande transition glide path[34] for all of these rate e

Implementing over the proposed Commission would advance t Commission's objective of "avoid[ing][35] At stunded en same time, transition would be disruptive to the "m and in-case" regime that[36] It appears to accelera past proposed by the ABC and Plan-referature would more "equitable jurisdictional distinction" to gain a tolerant and it fit reduction between[37] the revised system, "ning the administrative regime." For a all traffic that uses the same transport and be subject to uniform mouth tees, it is the appropriate to "gain" the "best" in a tariff of cost. Moreover, by avoid extinguishing the perverse, Commission's proposal would

[34] A key goal of the Commission's reform is compensation in form, smooth effect on incentive. There consideration of the extent would be drastic and tandem s office switching rates are phased down. Henc same phased stop the rate of the tandem rates.

[35] ¶ 12.

[36] .¶ 10. I

[37] *a n v U a a v i - t s C i e h c s l e a F i e r p p S n t n e S e l v t k d e i t v S r o i e c o s l e r o i e r S a q l n C o a*

accelerate from-stwitchied to IyP heeltpwionrgkst, o t"hmeark e affordable broadband available[38] to all America

D eh the o o ot to ffet rrer e e ter rrer o e to e e e tBe h r te

In the Putbhleic Conmonteiesksi, o nommenst rofbitlhiet yABC Plan's proposal to access a lresh a ce"ftantanisnic thuanesl n" tr-ups to adjust for possitbelse of fon curspen"ises o arpdien LECs that explegendy reduced intercarrier comp Commis'sion[39] ofTohrems Commission shyouslidnirlejrec"tretphiasce proposal.[40]

As Comcast and otihnertsheharveecoersdnt, abtnlaeiesrlhoewdios si carriersy, pprairctei cutalparrelaorsvtierpersv, eevniuobutsaliyned from intercarrieorn caofndpoerlnlsaant.[41] Tohrems Commission's reforr theefrore, shuoduel d"tprsoute oirn colther adjmuisntumteensts oftousaec

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[38] ¶10

[39] Public Notice TABCa tPsl 1a4n;3 .a to 12

[40] Comcast supports the Ctoefrmeitsusrinonp'arsovpirdoepsdo shael fixed percentoafgealolf rreedcuocveedrytermina--ting access

Furthermore, consistent with the revisions proposed, the Commission is to adopt a replacement mechanism that ensures carriers' ability to recover non-regulated revenues as well as technological and realize synergies provided by multiple services.[45] Including broadband revenues in determining the universal service fund ravenue requirement supports the Commission's goal of lowering the overall funding burden on consumers.

Some parties have argued that the Commission into account regulatory treatment.[46] These arguments, however, are inapposite in the context of the proposed suggestions of the Supreme Court's 1968 decision in United States v. Southern Pacific Federal Power Commission to regulate sales of electricity to jurisdictional[47] In fact, in the decision, the Court noted that revenues generated from the sale of electricity were used to cross-subsidize non-regulated services. Furthermore, the Michigan Commission's similar argument[48] As a threshold matter, the decision

[45] Comments of Sprint at 5; Comments of Cox, Integra Telecom, Time Warner Telecom, WC Docket No. 10-90, at 17 (Apr. 18, 2011); Comments of Coalition for Universal Service, WC Docket No. 10-90, at 8 (Apr. 18, 2011); Comments of Coalition for Rational Universal Service, WC Docket No. 10-90, at 8 (Aug. 2, 2011); Comments of Public Service Commission of Missouri, WC Docket No. 10-90, at 12 (Apr. 14, 2011); Reply Comments of AT&T, WC Docket No. 10-90, at 7 (Apr. 18, 2011); Comments of Time Warner Cable, WC Docket No. 10-90, at 3

for a prelimiminary injunction. The case settled before the rerquae spterfmoanemtadhijtuinont, ionthe Statute at is incumbEent's Local ratreesquainrdedefiftsektoirtrfeacyolveimarneyg earnyingsinchreasing rates for uprlegulatedhiestervib incumbEentwlould permit thecmhatrogeratiseeirtheendrautseesr from unregulated sertwiocesbeatconsidetheedsomeyp determining wohfetherhcoustomperowbisiedy

Although Congress has prohibited carriers from to subsidize servitcheesrethiastnaoreCocnogmrpeestsiitoinvael, o the Commciosnssaitodineurnroefguelvaetneudesr when determining t of subsidies for regu,lakiedvgesneurevsicfersom. Tnoretghuel into wheonuntalbeulateidgforsubsidiaedvuantceofthe Commission'sfisstcaatledregbyeonsoifbiligityhat support i carriers and aneedsathsubsaidcyually

Moreotvaetre, commissions have taken into acco

advertising listing directory assistance, have revenues from directory advertising carrier's retained outceed the revenues must be recovered from consumers[51] from the pro

In an analogous context, the New York Public Ser value of certain "so-fast" sheets regulated under utilized o steam commission imputed revenues to Rochester Telephon percent of Tom's Run regulated affiliate's costs to the company intangible assets. On appeal, the Rochester Telephone Company, the rate payers are entitled to[52] a Simpson, Lamb, Cable of Northwest Utilities Commission's "maximum-loaded" costs that

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an order of the Utah Public Service Commission earned from public insurance. *Sec. Commission of Idaho*, 2000 UT 1; 998 P.2d 247 (Utah 2000).

[51] *Unused Sevtsc Commission Itidie Tpsrtt*, 134 Wn.2d 74, 96 & 99 P.2d 13 n.78, (1 Wa 4 [t]h & 1 19 57 n) of fift US West's statutory regulations" impute to US West Pages affiliate's *Str Corp to Tsl ed* 80 *el* N.C. 54-4541, 545; 299 S.E.2d 763, 765 (N.C. 1 1 9 8 3 p) a g(e "We have been and are not the Utility Regulated Commission. How activity just in loitty regulated expenses so at nd mere ev et nhuaets t activity not be included in determining the rate Mexico, st tahtier st y plus the Distriacdtv eorft iCsoilnugm brieav ein rate making pricatedin sgnom"ies (end) *te, Sro ohlT ep e e h n n uT ep ffe of ahaT nep fnooe yp hersoetnioio tsllIti o pl m oseI n nf nan in r cite e n pl m Sop Gm Dsolokier* -1 N 0o6., 8 D6 ecision 1987 n C. PXSC 1L06 (Company 2 7 9, 8 7 0).

[52] *cu f edesv efir p C r cli o ier S Cmm te, tote* 87 *ohS* N, Y; 2 *o* 9 2 d 17 660 N.E., 21 (N.Y. 1 9 9 2 (5c) itation omitted)

by the regulated LaEtCed to a fiftisliuantre 'forfaucsielio tfietshe services.[53]

E he o o efor ho ot D o r e t e fo e o te

While the Commissioonns tsrmeionhdannisyhnarpoly offset intercarrier compenncsasttiloatghFeeCe'ssnures, forms should discourage states from implemeinticlugdinhgeirebowna local, rnaotres "punish" thosbeegsutnatteos utenhfdaetrrmthsaakvee Fsaulrcr example, the Commission questionastewhfeothecraltchue access rsehcouvledry "sntapkhontasinatiime" 2012, whfetJhaenrua "rty rate used to dete[rsmhionuelhdaigdbeerstohfeteco(vaesry2012 anua and the 2) rate at future poinatmso"ubnetfsoerset[54] abhiusheda c Taking a "snap1, ho2 0"12 onwoJuinducaerynioveh asvtaytteos may rebalance rabyadoing Onthye lattCeormmoipstsiioonn waovuolidd tdh necessstaryte reforms.

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[53] *an nu unn ertsitIn lenmianate Cinmsso tiot eeplotoo So uf a ua uelcs nere sreffarleUnrotev reentiHSnse irilTec rstis f Uuaff tenes elfleaosUsvTr -ieortibie iersSyenrcrleoeyss c,Rpl Cimak-0i4n1g2 ,09Dec-10s1iDoeics 10 on Adopting Standa Procedures for Class A and B Water and Sewer the Use of Regu-lated Assetvisdefsy NX1S 400, PUC * 9-91 (CaOlc.t .2 U1)(40, explaitheinpmaarsk a recognition tha affiliates benefit from the "embedded value o refinedyaorvserasthae resultPofBeelemsu"rsteepnty by*

[54] Public Notice at 11.

F f e t f to t e for o r ff e e r r te ho Be e re to ert f the e re t e of he r ee t o e r ff th t r te

Under the ABC Plan, VoIP access traffic would rates different afprpolmied to other access.[55] traffi Accoryd, hiectgrhmissseieckns cionmmtehnet Puobnlit“oVwoNIoPt itcreaffic s to CtChefrIamework [would] be pdeoposeiedafoffpng[56]

As a threshold matter, the Commission Comcast proposwaolultdhaatssess the scamenge atreiengoaTrDMl, lesstroaffti protocol in which it is tlefrmtineaCodmmissionteards that r-tatend TDM traffiroanftifcetheattlys exchanged originaIt, Pendeiandvioviesyarsaible apipnrgoatchhe ttoecihdneonltoigf origins of traffic wouldtihfeybepetrocernetqaugierieofpatrhteiien traffic that[57] ThisigapatrosachinwoiPld be similar to cuernytlidentify tjhuerirsdvioontgiuodeisaltoyafnpcreovtirdaifngicpeorce interst(a“tPeIaUm”s)apgercent(a“gPLfUa”c)taolrsustaogeterminatin encourage reliable srbeuplodrtriendgue,irrstehtepotrCoovetinhtieisfsayicocnur of the fascutporly-otheigyiVoIPd traffic and make the

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[55] ABCaPnlat 10.

[56] Public Notice at 1

[57] Under tPhle, anAtBCe prieamaoy concern for traffic intrastateIPtoilgi, whedetVaoffic would be assess (interstate-acicngastse)dtthraanffTiDdMh(uisn, triafsttahtee AaBCcePs adopted, partiesperdentagetiofy their originat originates in IP.

auditing. The Commission [illegible] information.

[illegible]

The universal service [illegible] Commission [illegible] the current [illegible] increases consumer benefits. To [illegible] proposals under [illegible] (1) [illegible] (2) implementing other measures [illegible] (4) using [illegible] cost [illegible] obligations; and (6) [illegible]

[illegible]

The Commission seeks comment on "implement[illegible]"[58] The "defined [illegible] Fund [illegible] that would [illegible] in intercarrier compensation [illegible] may not reach [illegible] preserve their revenue [illegible]

[58] Public Notice at 9.

[59] Letter from Walter [illegible] Quinn, Jr., AT&T, [illegible] Aberyn, Frontier, Kathleen Grillo, Verizon, [illegible] Bloomfield, NTCA, [illegible] Genachowski, Commissioner Michael J. Copps, [illegible] Commissioner [illegible] Letter").

Fsical respcnqtuhitrhteelsiCtoymimnipsasiofinxed spending
capp"itnhge su[mCoonfnetchte AmCeArFi)a]ndyFuenxdis(-"iopstolgirgmns
(however..mo)dimieaydrg"itvahe siz-ceosotfptrhoeg,ahsimgthlin 20
National Broadband[60] Threlommirsrescicoomgntnehinazdoendgheing gro
in the Fhus"thisesatizen[eyd,]prtehdei,cstpanbdiilfiutsyifatitnhaebil
fund[61] A.f"irmonexapenditthuFuensidsfreosmsentia"dontoripbrutvieon
burden [from] undermin[ing]ilstcheraginefitsdopf
ensure thoefst-haebsihliigthypport pr[62] Tghe Nationale Bur
Plan underscore[63] dAlrheecispaimetenhtecsoFnfucmedmnsp.ric-e-f cap
return carriers, need to be subject to a fi

AsNCTAhas explained, the Commission's fund
maximizing ciotnss,umneort boenneefnsuring f[64] Iohuembde,nttthL

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[60] ¶ 414. NBP *lastpeSc1o4m9mo¾†ndiηng†tSha(tr the Comm*

Commission has an affirmative legal obligatio
the D.C. Cyhreduit thnet, cerinl balancing "the risks
Commission "must the consideripribitiyonly some custome
altogether, but the need to limit the burden
service."[65]

B to e re ho Be e e t to r e t or t here t
ee e to o t r the F e

Consistent with the ABCNPTA and Cnotmchaipstior
proce,[66] etdhieng Commission should fer lomiAtHaeyenbroadbar
geographic area whecr-baisteidusprovsidirzeid,[67] offerin
In keeping with the recommendations set forth
only provide funding in geographic areas where
provbiradebandhi-qualivtegircasdeervice."[68]

Further, the FCC should bar a broadband su
subsidize its service in areas where baisted faces
provisdperci,[69] ftihuesaelloyf support must be confined to

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[65] *au n v l erllcC Fssi,ti 588 o FCC.* 3d 1095, 1102 *e* D*l.s*C *S*
n u n n evtsc Cmmi Fi ost l 3198 o FCC. 3d 1222, 1234 (10th Ci
"excessive subsyndicztfetihoen aaforfgourtadeallbeicloimtmyusnicatio
[for unsubsidized areas 254 (thus 1)").) .

[66] Comments of National Cable & Telecommunica
90a,t (1 Apr 8., 2011) ing thrat "tifoirsthepCommcisstion t
support to areas withou "NCTA Comments" ed comp
Comments at 22; ABC Plan at 3.

[67] Public Notice at 6

[68] NBP at 145.

[69] Public Notice at 10.

unserved and underwhelmed by unsubsidized broadband service in the service subsidies.

The Commission also should reveal in excess of the narrowband subsidies in order to ease the burden loop support should be reduced. Under the cu LEC loses lines to a competitor, the entire incumbent support, insulating the incumbent from competi support should be eliminated, because, as the not "appropriate flexibility to ask, nor does it targe unserved with broadband."[70] The Third Order state accesses unsupported continued on proof of revenue-cost to a high and, consequent eliminated. Fourth, high cost support for competitiv ("ETCs") should be phased out. As noted in the Na today, the USF supports more than a dozen competi many instances, companies receive support for m[71]

Finally, the Commission saw no tmoa yipm pons et hae to-cost amount support that a carrier is eligible[72] Also explain receive proyders signed reverse auctions introduced-cost sensdter a ca technpor loovgwiyoduelrd be the sort whiece expreonvtidaerr.eveTrse a

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[70] ¶ 190.

[71] NBP at 148

[72] Public Notice at 10.

however, a bewo "consistent with the universal service" [73]. Moreover, maximize fiscal and responsible Commission, should decide a lower $250 amount a cost model or "objective" [74] measure.

Reference to the Reference Factor

The record in establishing the proceeding in all geographic be competitive weeks, bidders, and the most efficient, in the aware of Fiscal Support as well as the approach that would obligations [75] and Airpeak desires, the auction would further sustain a bright, growing, and vibrant, to a tower or a band unserved at the last. Awareness tracks, the auction further would extending broadband to the greatest possible number of Indeed, a reverse auction mechanism would be subsidized for the same reason that the government for space goods and services.

The yardsal contained in the Gap Model and "BAGM" abp powerful evidence that an auction could simply divest the Fixed wireless service and satellite the service

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[73] ¶ 210. NCTA Comments at 13 (finding that high-cost support would "ensure that the subsidies efficient

[74] Comments of Mobile Tn USA, WC Docket No. 18-3, 12 April 1 ("Mobile Comments").

[75] Comments of MoTF, LWC Docket No. 1-8, 20 NCTA Comments at 9; Sprint Comments at 7; 41X; Riempel Wa Comments at 24.

traditional wireline technologies to extend b
For example, the BAGM determined that using s
expensive household wireline technology venue "gap"
facilities from $24 [76] to the limited population $10 [illegible] of unserved households [illegible] [77] [illegible] that reverse auctions have the [illegible] the firms that [illegible] are [illegible] This is the essence of fiscal responsibili

The proper implementation of reverse aucti
Commission would need to [illegible] would be to designate the dimensions of the g
place. The third step would be to design the [78]

Subsidies [illegible] broadband service
forces will provide adequate incentives to co
developing a viable [illegible] incentives will [illegible]

---

[76] [illegible] FCC, [illegible] (8 2010), [illegible] http://download.broadband.gov/[illegible] "Broadband Gap Paper" [illegible]

[77] [illegible] at 13. [illegible]

[78] Concerns about whether an auction [illegible] winner's [illegible] can be [illegible] a complete set of service [illegible] winner of the auction, such as [illegible] service, and even the price of a basic tier o [illegible] procurement auction that requires clear perfo

With respect to the second step, census bl
geographic areas over which the bidding will
geographic units for which the stage is likely demograph[79]
Therefore, all potential bidders would have a
areas open for auction. So long as there is
for any combination of census blocks, the rest of the
the reverse entail on providers would be able to
networks and -sapcecoiufnitc feocronfoimri.[80] Cso nosfe qsuceenpteliyand s
price for the combination of fowcernstuhsanbltoncekssuwno
individual. census blocks

Alternative proposals to use larofgear revegrsa
auctipan.tidunlar, the proposal to use wire cen
give the incumbent LECs a substantial advanta
potential build out) would not ohveerrlbaipddweirtsh tto
serve the identical serving areathceouilndcufmobreenctl

[79] The Census Bureau provides mapisc offeaatlulrecsens
as roads, rail,roaandds ,aagnedoghryadprhoilcogtyabulation sh
census blocks to numerous other geographic en
("MCDs"), cednisvuissicoonusnt("CCDs"), standefAmerican
reservUa.tSi.onnCsunnsuusBureaeu,Cvsec C,slpsibelt
<http://www.census.gov/geo/www/ma>(sieDwed0_GUBll
Aug.24, 2011).

[80] An interewsotueldd pbaertaybilde ftoor smuobrmeitthaanbone ce
addition to (or) albiednmativeTfhyer beiadcdhincgenssoufstwbal
find the combination of bidnseetcheadt tmoi-onsitmpipzoerdt th
all areas up for bid.

would extend broadband to parts of it, its sufficiency to do where its wtaeschmoot loscuyimpaeb liveto and be more efficie

D he B ro oe htoffFr t ef ho Be eet

The ABC Plan's proposal to give incumbent support in the vaste medicaintoyrs this pu[81] Wihcilly entere the incumabregnute LtEhCast this proposal will "avoid the yreiaslitthat the pgoposaincumbents Lmply

include a mechanism, such as a reverse function of the best technology. Also, for example, that of the service-efficient wireline or satellite, by expensive noting another part. Not that the vast entrant, the most efficient provider across the quality-measurement, rather than comparison between wireline and satellite (as incumbent). Right of first refusal to the technology.

Moreover, the entrant gives a right of first refusal to advantage of the incumbent. Land inconsistent with the prior fashion. Specifically, the incumbent frequently held competition has encouraged the earlier efforts of densely populated sectors.[83] Consequently, the lower cost of serving as "does not ameliorate telecommunications service."[84] However, although a portion should be calculated by the basis. Proponents assert that the fact that any reduction of the cost locations in a wire center makes it potential to

[83] Comments of the Independent Telephone Docket 90-0 at 51-0 8, 2011 entrant, who also report ("CRO") obligation with tuyrpiac customers from incumbent low-cost, (urban) customers to incumbent-cost, (heavy rural) are NaEsCA"), Reply Comments at 33 (explaining typically the most densely populated area) high

[84] Comments of Embarq 3,7 ,WCatDocket 7 (May 07.) .05

locations the wire center. Further, if i competition in a multiple wire center is a factor, the ABC Plan, or for proponents explanation why those competitors would be able to extend service to the same ex ... Ly

The harm caused by the ABC Plan is a "lr" ... reaching because ... most wire centers. The presentation of the ABC would have the opportunity to decline CAF support blocks that are eligible for CAF support, rep targeted to areas LESs[85] ... by price c

Finally, to the extent that a ... a particular area, the cost advantage those f same area should be reflected in a ... focus in these ... permitting the compet the firm that can build out a broadband netwo

E e D e o t o e o B e f t to the e e r e to r o e

A properly designed economic model can be a ver program for broadband. First, a model ... should not require ... broadband facilities, ... like near

[85] ABC Plan at 6 n.7.

of the model can where eu stehde tsou bisdiednite is f ys h o u l d b e
e s t a b l i s h s p b s o d i e s e s f o r

S e c o n d , a c o s t a n m o e d s e s l e n w t i i l a l l p r o l a y e w h e r t e o t h e r
c o n t r o l t h e d e f e v e d t o v f a s u b s t i a l y n g e o g r a p h i c a r e a
o t h e r t h a n t h e i n c u m b e n t a u L m E b C e . r o T f h i f s a c c t o o u r l s d , b i e n c
o f p r o p a g a t i n g w i t r e e r l r e a s i s n s o i r g n t a h l e s l i a n c k h i o l f l y s u i t a b
I n t h e s e c a s e s , a c o s t o m o d e l e r m w i o u l d h b e a p p e c r o p s r a
t h e i n c u m b e n t L E

F i n a l l y c o s t m o d e l a l s o c o u l t d h e b e i m a u x s i e m d u m t o s u s b e s
t h a t t h e f u t n o d t w h o e u l p d r o p v a i y d e r o f b r o a d b a n d s e r v i c
e v e n i f o n e o r m o r e f i r m s e n L t E e C r . a n T h a e u c r t e i s o e n r v a e l
w o u l d l i m i t t h e w h s e i z e o o n f e t h i e d c s u b s h i a d s y m u c h l o w e
p o t e n t i a [86] A b r i e s d e r v s e . p r i c e m u s t b e s e t t a k i n g i n
k n o w l e d g e o f t h e c o s t f o f e r s e e n r c v e i c b e e , t w t e h e e n e c x o p m e p c e t t e i
a n d e x p e c t a t i o m s u m b e o r u o f t h o i d d l i e k r e s l y i n t h e a u c t i o

A n y c o s t u m o d e l f o r t h o v s e v p u r p m u s e s , b e m a d e a v a i
f o r r e v i e w a n d c o m m e y n t t h p e r s i C o i m m o p o b e e i m t g s a d f o p t t h e d
P l a n o e y l y p r o v i d e d i n p u t d a t a u y s t e h d e f C o r s t o Q u e e s o t f M
B y i t s e l f , t h i s i n f o r m a t i o n i s o f l i m i t e d v a l u
e s t i m a t i o n p r o o f d u h e s g u d a t a m y s s e d t o g e n e r a t e r

[86] F o r e x a m p w e r l o i o f k i t h g e c f o e s o s t o f b i t d e e l e i a s t $ 1 0 0 p
s u b s c r i b e r - a n d k i t h g f o s w a o d s c t o h s e t s b e i c d o d n e d r t i o s t $ h 5 e 0 0
t h e a u c t i o n w o u l d y n t o h t e c s o i n z s y t r a f i n t c h o e s f t s e d h a s i r m d e l T
f i r m c o u l d w i n t h e a u c t i o n w i t h a b i d o f $ 4 9 9

the model yoc an be parrnties, it will tnoi nbe pt possi assumptions and choice psi co, afl cnyos t mi ndg lie ng hr iequ judgment ts that must be brought to light and t sample of issues raised by our r:eview to date

- Whet hoedre lmi ng te cbhie ieiyqduiensg msahyig ghi fi ir cant s ty f smalle brenitn cLAEMCts.[87] hough smaLLECs r mi ny cumbe ant le take advasnatmages oaflet heeconomLiECs, asthe arge i limit to the sitzhe at oefrst thepacyolsdt bpe enrael qtuyir
- How the model rehancedlbe s tdwi efn the operatin techno alnodg yolder T.DM Tehcisnoinsogiyfpatnie almoyde utilizes hiLEC ordatainocumoperatin[88] ng costs.
- How the model allocates costs ess, ossesdid using the[89] same facilities.
- What data is avagilcoslts ondtheaoparetrins LECs now that ARMIS reporting srceaqueidreme back[90]
- How structure sharoimegd, pearncdenhtawgecosatrse ad faciliptoiles ss)(oewlneecdt rbiyc[91] utilities.
- What marketing costs shoul.Tdhe beCoisntcQluuedsetd model appeearmsartkoe tiinncgluctoos t1p2e.r9lo7aftt ta orte al12 rveenue[92].

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[87] ABC PlAatntaacthment 3, Section 3.3.d.1.

[88] *I*

[89] aSeeectiosn 3.2.d.2 (referring to "appropr econoamtiiconrale").

[90] aeete SeiSction 3.3.d.1 (referthieng CQBoAT "fin compyGoualition members").

[91] at eSeictSion 3.2.d (referring to "sizing

[92] at SectIion 3.3.d.3.

F e e t of F or t ho Be e t to te re t to h B t e to e

The State of Member Federal Joint Board have proposed that recipient "not to specific bulk or lead bans, 1 at 35 of dmen to Cy" mcast supports-out the idea of a new fund by be consistent with the Commission's goal of "effey.[94] Moreover, bulk stones have receiv[95] As broa Time Warner Cable has noted, "it is appropria coverage, meanntd rdeeqpulioryements that will ensure th maximize bi[96] a designated area."

The Commission also should compt a bilzie gatthi ons making clear mayhat subsidy wid bulk mas pieced for y arecipient that fatihs. to Ans eth eaCy Commission monitoring, compliance and enforcement [tthpatogrup providers] adhere to thtehirro uogbhloiugta ttihoeni rt os uopfpfoen by the heeidr orfest poeuctt ipveer[97] Inboudtish.d" past, the Commiss measures when allocating universal TsCetrov ifcie lesu

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[93] Publiicc eNo at 4; Stat-63 Members Plan at 62

[94] ¶ 135.

[95] Coemen AtTs & Tonf., WC Doe 90 ae, tt -1 N0o(5 Ap 11r 80., 2011) CenturyLink C-2 Comments Netof 23 ts ka Public, SWC Vice Docket -9 Na, t. -1 15(40 Arp 1. 8, 2011)

[96] Time Warner Cable Comments at 27.

[97] *F* ¶ 57.

a f-yiavre network improvement plant haantd ctoh-veurt sanbuain
progress, outages, service requests, and comp

participate via a single yfumiding mechwonrkinngwo competitive marketplahcee Commiensssiuone' sa[102]Ahseirdeimcge p T-Mobiloebshea,rs[vafey]d. . . preference [for a certain CAF support] would result in a f-cuonsdt tUnSaFt (iassl as vioplraitnecitphlees of competity)[103]'e and technologi

Comcast, however, agrees with the ABC Plan "alternativtehrteeschhonlodl"ogiynthoerdnorsctetnocsuissdtelbryltoicfky are serv[104]Ar.eascowsittsh above the threshold should be e baseline support a[105]Vsatieadb,lethfrosem atheasCAFhdulte broadband providers, in keeping with]the Nati FCC should consider,r saulctheransatsiavteelalpiptreoabcrhoeasdba costalryeas of tothemicoimnitzeythe contribution burde America.[106]"

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[102] *a a n Faeeneneselvtlie itvS roie,Rosepooiert S*a1n2d FOCrCdeRrc,d 8776, ¶ 47 (1997)le(dofficoinpg,twtheivcphrinnecquiturarleistyth service support mechaniasdmvsanatnadgerunloersdniesiatdhvearn over another,yafnadvoeinthoerdiusfaivor one technol

[103] T-Mobilemeenctons at 9.

[104] Publeiec NSotice at 8.

[105] Alterynatiifveal reverysestaruucctiuomedi,stphreompetrhle lo sateiellite in the mporsctvirdueaslearveatso, whielsleciuks below the threshold.

[106] NBP at 150.

The Commission adopts a comprehensive plan for interconnection with the foregoing high-cost universal service transitions and consequently is consistent with the Commission's refo

Respectfully submitted,

a an stcrehymh

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August 2011

ert f te of er e

I, Ruth E. Holder, hereby declare that, on 24 August, 2010, I caused true correct copies of the foregoing Comments on Connect Maid addressed:

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u s t le h r o
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