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

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 Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109

REPLY COMMENTS OF TDS METROCOM, LLC ON FURTHER INQUIRY PUBLIC NOTICE

Dated: September 6, 2011

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REPLY COMMENTS OF TDS METROCOM, LLC
ON FURTHER INQUIRY PUBLIC NOTICE

TDS Metrocom, LLC ("TDS Metrocom") files these reply comments on the Federal Communication Commission's ("FCC" or "Commission") Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding ("Public Notice").[1] In these replies and the declaration of Mr. Pitterle, TDS Metrocom provides the Commission specific information to demonstrate the disproportionate impact of the "ABC Plan's"[2]

[1] *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation System, et al.*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Dockets No. 01-92, 96-45, Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding, DA 11-1348, (rel. Aug. 3, 2011) ("Further Inquiry").

[2] *See* Letter from Robert W. Quinn, Jr., AT&T, Steve Davis, CenturyLink, Michael T. Skrivan, FairPoint, Kathleen Q. Abernathy, Frontier, Kathleen Grillo, Verizon, and Michael D. Rhoda,

(Footnote continued on next page.)

terminating access rate transition on competitive local exchange carriers ("CLECs") such as TDS Metrocom. As Mr. Pitterle's Declaration shows, the ABC Plan glide path would cause TDS Metrocom to lose a significantly higher percentage of terminating access revenue as compared to the percentage reduction expected for price cap LECs against whom TDS Metrocom competes. TDS Metrocom supports the Competitive Amendment's straight-line, eight-year transition plan for CLECs as a better means to achieve the Commission's goals of avoiding disruptive change and providing a measured transition that gives CLECs time to adjust their business plans.

I. THE COMMISSION SHOULD ADOPT THE COMPETITIVE AMENDMENT'S TRANSITION PLAN IN ORDER TO SATISFY THE FCC'S GOAL OF A MEASURED TRANSITION

A. The ABC Plan Disproportionately Affects Competitive LECs

The Public Notice requests comment on how the ABC Plan and other proposals "comport with the Commission's objectives and statutory requirements."[3] TDS Metrocom agrees with the numerous parties that argued the proposed timing in the ABC Plan would not comport with the FCC's stated goals and requirements. Specifically, in the NPRM, the Commission recognized that

> As we proceed with USF and ICC reform, we intend to avoid sudden changes or "flash cuts" in our policies, acknowledging the benefits of measured transitions that enable stakeholders to adapt to changing circumstances and minimize disruption. We note that if additional funding were available for USF and ICC reform, it could accelerate and ease the necessary transitions.[4]

(Footnote continued from previous page.)

Windstream, to Marlene H. Dortch, FCC, WC Docket No. 10-90 *et al.* (July 29, 2011) America's Broadband Connectivity Plan ("ABC Plan"). TDS Metrocom does not support Commission adoption of the ABC Plan.

[3] Further Inquiry, at 1-2.

[4] *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service*

(Footnote continued on next page.)

As the Commission recognized, reform will require all major stakeholders in the USF and intercarrier compensation systems to grapple with a number of significant practical consequences of a change in the current system. The Commission has sought to avoid sudden changes, suggesting the use of transitions and glide paths to assist carriers adapt to reforms. "Change to USF and ICC policies need not and should not be sudden or overly disruptive, but change must begin so that our country can reach its broadband goals in an efficient and accountable way."[5] The Commission's goal should be to create a framework and transition that is measured and predictable to enable service providers and investors time to react and plan appropriately.[6]

The ABC Plan does not accomplish this goal for CLECs like TDS Metrocom. If adopted, the ABC Plan would move all LEC terminating intrastate access rates to interstate levels within the first two steps of the transition plan and to $0.0007 by July 1, 2017.[7] For carriers like TDS Metrocom, equalizing terminating access rates in two steps is tantamount to the type of flash cut that the Commission sought to avoid, and is contrary to the numerous and varied calls for a measured transition to equalize access rates.[8] PAETEC said that its data shows "forcing CLECs

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Support, Developing a Unified Intercarrier Compensation System, et al., WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Dockets No. 01-92, 96-45, FCC 11-13, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, ¶ 12 (rel. Feb. 8, 2011) ("NPRM").

5 NPRM, at ¶ 17.

6 *See* NPRM, at ¶ 490. *See also id.*, at ¶ 533 ("We also believe it is important for any transition to be gradual enough to enable the private sector to react and plan appropriately.").

7 *See* ABC Plan, Attachment 1, at p. 11.

8 *See, e.g.,* Michigan PSC April 18 Comments, at 16 (requesting four years to begin, not complete, the necessary reforms); Mississippi PSC April 18 Comments, at 14-15 (minimum of five years necessary for access rates to reach parity); Missouri PSC April 18 Comments, at 24 (minimum of five years for access rates to reach parity); Massachusetts DTC April 18 Comments, at 22 (three to five years for states to complete reforms); Washington UTC April 18 Comments, at n.28 (four years is a reasonable transition

(Footnote continued on next page.)

to equalize intrastate and interstate rate levels in short order means that the bulk of the revenue reduction would be realized in the near term rather than over a reasonable glide path contemplated by the original NPRM."[9] As Cbeyond et al., argued, "It would take several years—not a mere 18 months—for competitive LECs to make these adjustments."[10] The Missouri Commission noted that the ABC Plan's "proposed time frames for reducing intrastate access rates to parity with interstate access rates are extremely aggressive."[11]

Under the ABC Plan, price cap LECs have until July 1, 2017 to reach the proposed unified rate of $0.0007, plus ARM support that makes up 90% of lost revenue through July 1, 2018, and a declining percentage during the remaining two years until ARM support is eliminated July 1, 2020.[12] As CompTel observed, "Together, these provisions provide ILECs with an eight-year transition to adjust to lower ICC revenues."[13] The Competitive Amendment would provide CLECs like TDS Metrocom (1) the same timeframe, until July 1, 2020, to reduce rates to the final target rate and (2) reduce each existing rate (intrastate, interstate, reciprocal compensation) from July 1, 2012 through July 1, 2020 on a straight-line basis.[14] As Mr. Pitterle's Declaration shows, under this approach, which reduces intrastate access revenue to the final rate

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period, but some states may need more time). Non-BOC carriers including EarthLink, Cbeyond *et al.*, Frontier (prior to the ABC Plan submission), and XO similarly supported a five year transition period to equalize access rates. EarthLink April 18 Comments, at 11; Cbeyond *et al.* April 18 Comments, at 4; Frontier April 18 Comments, at 5-6; XO April 18 Comments, at 18.

[9] PAETEC August 24 Further Inquiry Comments, at 10.

[10] Cbeyond *et. al* August 24 Further Inquiry Comments, at 6.

[11] Missouri PSC August 24 Further Inquiry Comments, at 10-11.

[12] *See* ABC Plan, at Attachment 1, pp. 12-13.

[13] CompTel August 24 Further Inquiry Comments, at 20.

[14] *Id.*, at 21 & n.59.

over eight years, the revenue loss would be significantly less disruptive than under the ABC Plan.

A number of parties supported either the Competitive Amendment's alternative glide path for CLECs or a longer time period to equalize access rates generally. Wisconsin explained its state law that "lowers and moves toward unifying intrastate access rates, with varying requirements depending on whether a telecommunications provider is a large or small incumbent local exchange carrier, new non-incumbent, or large or small non-incumbent."[15] Cbeyond et al. argued that "any plan for reducing intercarrier compensation should include an extended transition for lowering intrastate access charges" such as a five-year transition or the Competitive Amendment's straight-line eight-year transition.[16] EarthLink supported the Competitive Amendment's longer transition for competitive carriers because "the ABC Plan's flash cut in access revenue for competitors threatens their ability to invest in IP-based networks and services for the small and medium sized business customers that they primarily serve."[17] PAETEC similarly supports extending the transition for CLECs to July 1, 2020.[18] TDS Metrocom adds its support to the Competitive Amendment's straight-line, eight-year transition plan for CLECs as a better means to achieve the Commission's goals of avoiding disruptive change and providing a measured transition that gives CLECs time to adjust their business plans.

B. The Impact of the ABC Plan Transition to TDS Metrocom Is Significant while Insignificant to the Price Cap ILECs Against Whom it Competes

Mr. Pitterle estimates that TDS Metrocom would lose on average 63% of its total

[15] Wisconsin PSC August 24 Further Inquiry Comments, at 4.

[16] Cbeyond *et al.* August 24 Further Inquiry Comments, at 6.

[17] EarthLink August 24 Further Inquiry Comments, at 20-22.

[18] PAETEC August 24 Further Inquiry Comments, at 16-17.

intrastate terminating access revenue by 2013 under the ABC Plan. Pitterle Declaration, at Exh. A. In general, competitors like TDS Metrocom serve more business than residential customers as a percentage of their total customer base, and when compared to price cap LECs, this business/residential divide is significant. According to the FCC's 2011 Local Competition Report (measuring service statistics as of June 2010), approximately 60% of incumbents' total switched access lines are provided to residential customers, in sharp contrast to competitors' (approximately 21%). Because most CLECs have entered into long-term contracts with their business customers, they will not be able to increase rates until existing contracts expire. TDS Metrocom is one such carrier that generally enters into 60 month contracts with its business customers and therefore lacks the flexibility needed to adjust its retail rates for its existing customer base. Pitterle Declaration, at ¶ 5. Together, its primarily business customer base and long-term contracts restrict TDS Metrocom's ability to adjust its business plan to sudden drops in terminating intrastate access revenues, such as that proposed in the ABC Plan.

In contrast to this overly steep transition for TDS Metrocom and other competitive carriers, the ABC Plan softens the transition for price cap LECs by providing mechanisms to replace substantially all of their lost terminating intrastate access revenue in the first two steps. In order to offset lost terminating intrastate access revenue, the Plan permits price cap LECs to increase subscriber line charges ("SLCs") and "recover 90 percent of any revenue reduction greater than the imputed SLC increase" through July 1, 2018, with declining access replacement support through July 1, 2020.[19]

Mr. Pitterle's Declaration shows how the ABC Plan transition would impact TDS

[19] *See* ABC Plan, at Attachment 1, pp. 12-13.

Metrocom and the price cap LECs with whom it competes. As of January 1, 2012, taking into account state-ordered reductions, TDS Metrocom's terminating intrastate access rates will exceed its terminating interstate rates in three of the four states where it operates. Pitterle Declaration, at ¶ 7. AT&T's terminating intrastate access rates equal their interstate rates in Michigan and Wisconsin and vary by $.0001 in Illinois. Pitterle Declaration, at Exh. A. In Minnesota, Qwest's rates vary by $0.0116. Pitterle Declaration, at Exh. A. For the first two steps of the transition, AT&T will not experience revenue loss from terminating intrastate access rate reductions in Michigan and Wisconsin. AT&T likely will not increase SLCs or retail rates in these states because it will have no lost access revenues to offset. In addition to the business/residential divide and long-term contract restrictions discussed above, TDS Metrocom will face an effective price ceiling from AT&T's rates that will constrain its ability to recoup its significant terminating intrastate access revenue losses through retail rates.

Even in Illinois and Minnesota where AT&T or Qwest should lose access revenue in the first two steps, the loss on a percentage basis is smaller than that projected for TDS Metrocom. Pitterle Declaration, at Exh. A. Moreover, because the ABC Plan allows a price cap LEC to recover from the Access Replacement Mechanism ("ARM") 90% of any revenue reduction after either increasing or imputing an increased SLC, TDS Metrocom would be at a competitive disadvantage even if the initial revenue loss percentages were equal. Even assuming its long-term contracts permit TDS Metrocom to increase its SLC to match the price cap LEC's increase, it will not be eligible for the additional revenue replacement provided by the ARM.

If the Commission were to adopt an eight-year, straight-line transition from intrastate rates to a final rate of $0.0007, TDS Metrocom would lose on average 23% of its total intrastate terminating access revenue by 2013. Pitterle Declaration, at Exh. A. Although the proposed eight-year, straight-line transition from intrastate access rates to the target rate does not place TDS Metrocom and the price cap LECs with whom it competes on equal footing, it substantially mitigates the impact of lost intrastate terminating access revenues on TDS Metrocom. Adopting a straight-line, eight-year rate transition for CLECs like TDS Metrocom therefore meets the Commission's objective of providing a gradual transition that permits adequate private sector business planning.

II. THE FCC SHOULD ENSURE THAT ANY GLIDE PATH PLAN IS REASONABLE FOR ALL CARRIERS

As the agency charged with ensuring the deployment of broadband to all Americans, the Commission should ensure that the access rate transitions are not "sudden or overly disruptive" for all classes of broadband providers, including CLECs. The Broadband Plan recognizes how crucial competition is to promoting consumer welfare and spurring innovation and investment in broadband access networks.[20] The Commission should adopt the Competitive Amendment's straight-line, eight-year transition plan for CLECs as a better means to achieve the Commission's goals of avoiding disruptive change and providing a measured transition that gives CLECs time to adjust their business plans.

A number of states have rejected the ABC Plan's premise that competitors should reduce access rates on the same schedule as large incumbents. When requiring LECs to equalize access rates, Michigan gave competitors four years longer than incumbents.[21] The Wisconsin law also

[20] *See* National Broadband Plan, at 36 (calling for competition in the broadband market as a means to spur investment and innovation).

[21] "While it is true that disbursements from the ARM are limited to eligible providers, which by definition excludes CLECs, it is important to note that the Michigan Telecommunications Act also treats CLECs differently with respect to the timeframe for reductions in intrastate access charges. Rather than having to immediately lower intrastate rates to no higher than interstate levels as of September 13, 2010,

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gives competitors (with more than 10,000 access lines in Wisconsin) more time to unify access rates--six years, with the reductions beginning four years after the Act becomes law.[22] Georgia, likewise, has developed a ten-year transition process for competitive carriers.[23] The common theme amongst these states is that they each have adopted a "type of carrier" distinction when setting transition periods, correctly requiring large incumbents to reduce rates on a shorter timeframe than competitors. The Competitive Amendment's straight-line, eight-year transition plan for CLECs is consistent with what many states have called for in this proceeding and is a better means to achieve the Commission's goals of avoiding disruptive change and providing a measured transition.

In response to the Public Notice's question of whether different transitions for different types of carriers would raise any policy concerns,[24] TDS Metrocom responds no. To the contrary, the Commission should consider variations among classes of carriers to ensure that the transition plan it adopts does not provide one class of carrier a competitive advantage in the market. Under the ABC Plan as proposed, each carrier starts with a unique intrastate access rate. As the Public Notice recognizes, the fact that a carrier's rate is higher at the outset could be a reasonable basis for giving that carrier a longer, not shorter, transition.[25] Even when access rates

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CLECs in Michigan are able to take advantage of a 5 year step-down process in which the first reductions (of 20% of the differential between intra- and interstate access rates) did not occur until January 1, 2011. In fact, CLECs have until January 1, 2015 before their intrastate access rates are required to be no higher than their corresponding interstate access rates, i.e. four years of additional time not allotted to eligible providers." Michigan PSC May 23 Reply, at 13.

[22] JR1SB-13, Section 77, amending 196.212(2)(b).

[23] *See* Ga. H.B. 168 (June 2010).

[24] *See* Further Inquiry, at 13.

[25] *Id.*

are equalized, they will not be uniform across all carriers because each carrier's interstate access rate is unique, and may vary state by state and service area by service area. Those differences will be maintained until the final uniform rate is reached. Moreover, the ABC Plan proposes that the date for the final uniform rate will differ for price cap and rate of return LECs, July 1, 2017 and July 1, 2020, respectively. Any attempt to equalize all carrier rates across the board earlier in the transition would put additional pressure on the ARM, end user rates, and carrier business plans above and beyond the substantial revenue impact already imposed by a transition from jurisdictional rates to a unified rate.

As many parties have argued, a measured transition is necessary to ensure financial stability and continued investment, not only in broadband networks but also by private investment firms. Reducing competitors' intrastate and interstate access rates over a longer transition period that recognizes their limited ability to recover and/or adjust their business plans to lost intercarrier compensation revenues would "moderate the impact on consumers and allow higher broadband adoption" while at the same time minimize "the risk that reform will have a negative impact on private investment."[26]

III. CONCLUSION

Based on TDS Metrocom's analysis of the disparate impact the ABC Plan's rate transition would have on CLECs like TDS Metrocom as compared to the price cap LECs with whom they compete, the Commission should modify the rate transition plan proposed in the ABC Plan as applied to competitors and instead adopt the Competitive Amendment's straight-line, eight-year transition plan for CLECs as a better means to achieve the Commission's goals

[26] CenturyLink April 18 Comments, at 60.

of avoiding disruptive change and providing a measured transition that gives CLECs time to adjust their business plans.

Respectfully submitted,

/s/ ______________________________
Sara Cole
TDS Metrocom, LLC
525 Junction Road, Suite 6000
Madison, WI 53717

Dated: September 6, 2011

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DECLARATION OF STEVEN PITTERLE

I, Steven Pitterle, on oath, state and depose as follows:

I. INTRODUCTION

1. My name is Steven Pitterle. I currently serve as Manager - Carrier Relations for TDS Telecom ("TDS"). I am submitting this Declaration on behalf of TDS Metrocom, LLC ("TDS Metrocom," a subsidiary of TDS) to provide an estimate of the percentage impacts of the access rate equalization proposed in the ABC Plan versus that proposed in the first two years of the eight-year, straight-line rate transition period proposed in CompTel's Competitive Amendment.

II. BACKGROUND

2. I was previously employed by GTE from 1970 until 1997 holding various positions in Engineering and Regulatory Affairs during that time including 8 years as State Director – Regulatory Affairs for Wisconsin from 1989 to 1997. I then worked as Director –National

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Negotiations for GTE in Dallas until 2000 when GTE became part of Verizon. I served as Director Negotiations for Verizon until 2004 when I became employed by TDS. From 2004 until current I have been in Government /Regulatory Affairs for TDS primarily representing TDS Metrocom.

III. INTERCARRIER COMPENSATION DATA

3. The ABC Plan proposes that competitive LECs, such as TDS Metrocom, reduce their intrastate access rates to interstate rate levels by 2013. CompTel has proposed a straight-line transition that would reduce CLECs' intrastate access rates in equal steps over the eight-year period from July 1, 2012 through July 1, 2020.

4. In the attached spreadsheet (Exhibit A), I show the percentage impact to TDS Metrocom under these two proposals focusing on the impact to intrastate terminating access rates.

5. TDS Metrocom provides broadband, local exchange, and exchange access services in four states, Illinois, Michigan, Minnesota and Wisconsin. TDS Metrocom's retail customers are primarily small and medium businesses, but we also serve some residential customers. The average length of our commercial customer contracts is approximately 60 months, whereas most residential retail arrangements are month to month. The long-term commercial contracts restrict TDS Metrocom's ability to increase retail rates for our existing customer base to offset any access revenue losses.

6. The following table (Table 1) shows TDS Metrocom's projected intrastate and interstate terminating access rates per minute of use for 2012 under current rules that incorporate intrastate access rate reductions scheduled to go into effect on January 1, 2012 in Illinois and Michigan. The table also shows the exact difference between TDS Metrocom's interstate and intrastate terminating access rates by state as well as the percentage differences which

for MN, WI and MI are substantial. A percentage difference of 757%, for example, means that the intrastate rate is 7.57 times higher than the interstate rate.

7. Table 1

State	Interstate Rate/MOU	Intrastate Rate/MOU 2012	Difference %	Difference $
MN	$ 0.0039	$ 0.028	757%	$ 0.0243
WI	$0.0037	$ 0.028	757%	$ 0.0243
MI	$0.0036	$ 0.0182	507%	$ 0.0146
IL	$0.0036	$ 0.0036	100%	$ -

8. For purposes of my calculation in Exhibit A attached, I assume access minutes of use remain constant through 2013. Also in Exhibit A, for purposes of my calculation of the impact of the eight-year, straight-line transition, I assumed the ABC Plan's target rate of $0.0007 rather than the state reciprocal compensation rates. To the extent the Commission adopts a different target rate, that would impact the estimated revenue loss.

9. For comparison purposes, in Exhibit A, I include an example of the percentage revenue impact on price cap LECs with whom TDS Metrocom competes.

10. For purposes of calculating a single blended rate for the RBOCs' multi-element interstate and intrastate terminating access rates, I used the following method, which TDS Metrocom typically uses to arrive at its own single per MOU terminating access rate for both interstate access and intrastate access in our 4 states, except that for intrastate access rate development purposes, TDS Metrocom uses its own tariffed rate elements to arrive at a single blended rate. TDS Metrocom applied the competing RBOC's currently effective multi-element interstate and intrastate access rates (tandem switching, tandem termination and transport mileage along with end office switching) to arrive at a single per MOU rate for the RBOCs. TDS Metrocom used an estimated 10 mile average transport distance from the RBOC end office to the RBOC serving tandem and then added in the other multi-element RBOC (per

MOU) rates, including one each of the tandem termination, tandem switching and end office switching elements, to arrive at the single RBOC interstate and intrastate access per MOU rates.

11. Based on my calculations in Exhibit A, the ABC Plan's proposed access rate transition would cause TDS Metrocom to lose a significantly higher percentage of terminating intrastate access revenue from revenue based on January 1, 2012 access rates (especially in the first 2 steps of the ABC Plan), as compared to the price cap LECs against whom TDS Metrocom directly competes.

IV. DECLARATION

I declare that I created this Declaration with the assistance of persons under my direct supervision and that, to the best of my knowledge, the facts represented herein are true and accurate.

Steven Pitterle

Steven Pitterle

Dated: September 6, 2011

EXHIBIT A

Comparison of impacts to TDS Metrocom's Terminating Intrastate access rates with ABC Plan versus a straight 8 year transition plan to $0.0007

Jan 1, 2012 TDS Metrocom Terminating Access Rates

State	WI	MN	MI	IL
Intrastate Access	$0.0280	$0.0280	$0.0182	$0.0036
Interstate Access *	$0.0037	$0.0039	$0.0036	$0.0036

* Mirror of RBOC Interstate rate elements - blended by Metrocom to single rate per MOU

Current at&t and CenturyLink/Qwest Rates**

	AT&T	CL/Qwest	AT&T	AT&T
State	**WI**	**MN**	**MI**	**IL**
Intrastate Terminating Access	$0.0048	$0.0171	$0.0048	$0.0049
Interstate Terminating Access	$0.0048	$0.0055	$0.0048	$0.0048

** RBOC Blended rates calculated by TDS Metrocom using assumed 10 mile transport mileage

Comparative Impact of ABC Transition Plan as Illustrated by Terminating Intrastate Access reduction

	First 2 Step Impacts of ABC Plan	
% Intrastate Terminating Access Rate Reduction For TDS Metrocom Compared to RBOCs AT&T & CL/Qwest	**2012**	**2013**
WI - TDS Metrocom	43.39%	**86.79%**
WI - AT&T	0.00%	**0.00%**
MN - TDS Metrocom	43.04%	**86.07%**
MN - CenturyLink/Qwest	33.77%	**67.53%**
MI - TDS Metrocom	40.13%	**80.26%**
MI - AT&T	0.00%	**0.00%**

	A	B	C	D	E	F	G	H	I	J	K	L
43												
44			**IL - Metrocom**		0.00%	**0.00%**						
45			**IL - AT&T**		0.35%	**0.70%**						
46												
47			**Average Reduction TDS Metrocom - first two steps**			**63.28%**						
48												
49			**Average Reduction RBOCs (Price Cap ILECs) - first two steps**			**17.06%**						
50												
51												
52												

	A	B	C	D	E	F	G	H	I	J	K	L
53												
54												
55												
56												
57												
58												
59			**Transition TDS Metrocom Jan. 1, 2012**		**Transitioned rates over 8 equal steps**							
60			**Intrastate Access Rates**									
61			**to $0.0007 in equal steps**		**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
62			**over 8 years**									
63												
64			**WI & MN**		$0.0246	$0.0212	$0.0178	$0.0144	$0.0109	$0.0075	$0.0041	$0.0007
65			**MI**		$0.0160	$0.0138	$0.0116	$0.0095	$0.0073	$0.0051	$0.0029	$0.0007
66			**IL**		$0.0032	$0.0029	$0.0025	$0.0022	$0.0018	$0.0014	$0.0011	$0.0007
67												
68												
69			**% Reduction from**	**Rate**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
70			**Jan. 1, 2012 rate**	**Jan. 1, 2012**								
71												
72			**WI**	$0.0280	12.14%	24.29%	36.43%	48.57%	61.07%	73.21%	85.36%	97.50%
73			**MN**	$0.0280	12.14%	24.29%	36.43%	48.57%	61.07%	73.21%	85.36%	97.50%
74			**MI**	$0.0182	12.09%	24.18%	36.26%	47.80%	59.89%	71.98%	84.07%	96.15%
75			**IL**	$0.0036	11.11%	19.44%	30.56%	38.89%	50.00%	61.11%	69.44%	80.56%
76												
77			**Average**			**23.05%**						**92.93%**
78												