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December 16, 2011

FILED/ACCEPTED

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street S.W.  
Washington, DC 20534

DEC 16 2011

Federal Communications Commission  
Office of the Secretary

Lynne Hewitt Engledow  
Pricing Policy Division  
Federal Communications Commission  
445 12<sup>th</sup> Street S.W.  
Washington, DC 20534

Re: CC Docket No. 01-92; GN Docket No. 09-51; WC Docket Nos. 05-337, 07-135, 10-90;  
Data Related to Universal Service Reform

Dear Ms. Dortch and Ms. Hewitt Engledow:

Attached is the response of the National Exchange Carrier Association, Inc. (NECA) to the Federal Communication Commission's directive to file the detailed revenue requirement data received from member companies.<sup>1</sup> This information is being filed pursuant to the Protective Order issued in this proceeding.<sup>2</sup> In accordance with the Protective Order, this information has been marked:

REDACTED – FOR PUBLIC INSPECTION

Enclosures

CC: Sharon E. Gillett – Chief, WCB

<sup>1</sup> *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 an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform-Mobility Fund*, CC Docket Nos. 01-92, 96-45, WC Docket Nos.: 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, (rel. Nov. 18, 2011) at ¶ 225.

<sup>2</sup> *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, et. al., Protective Order, 25 FCC Rcd 13160 (2010).

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DEC 16 2011

Federal Communications Commission  
Office of the Secretary

Re: CC Docket Nos. 01-92 and 96-45; GN Docket No. 09-51; WC Docket  
Nos. 05-337, 07-135, 10-90 and 03-109; Data Related to Universal  
Service Reform

Dear Ms. Dortch and Ms. Hewitt Engledow:

Enclosed please find the National Exchange Carrier, Inc. (NECA) response to the Federal Communications Carrier (Commission) directive to file the detailed revenue requirement data NECA receives from carriers.<sup>1</sup> This information is being filed pursuant to the Protective Order issued in this proceeding.<sup>2</sup>

<sup>1</sup> 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 an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform-Mobility Fund, CC Docket Nos. 01-92, 96-45, WC Docket Nos.: 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, (rel. Nov. 18, 2011) (*USF/ICC Reform Order*) at ¶ 225.

<sup>2</sup> *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *et. al.*, Protective Order, 25 FCC Rcd 13160 (2010).

REDACTED – FOR PUBLIC INSPECTION

The information supplied by NECA is contained on a CD-Rom accompanying this letter and was compiled from data received in the normal course of business. The data items reported are at the level of detail approximate to the items reported in the Tariff Review Plan (TRP) that accompanies NECA's annual tariff filing. A template for the data contained on the CD-Rom is included in Attachment 1.

NECA seeks confidential treatment of the information provided on the CD-Rom under the Protective Order. Notwithstanding the Protective Order, the information provided on the CD-Rom is entitled to confidential, non-public treatment under the Freedom of Information Act (FOIA) and related provisions of the Commission's rules.<sup>3</sup> The information satisfies the requirement of FOIA Exemption 4 (trade secrets or commercial/financial information).

NECA submits the following information pursuant to section 0.459 in support of its request for confidential treatment of the data on the CD-Rom.

- Identification of the specific information for which confidential treatment is sought:

NECA seeks confidential treatment for the study area specific information on the CD-Rom, which contains confidential and proprietary information related to common line revenue and total company and common line expenses and investment of NECA pool members.

- Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

This information was submitted in response to the Commission's *USF/ICC Reform Order* in CC Docket Nos. 01-92, 96-45, WC Docket Nos.: 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208. Specifically, the order directs NECA to "file the "detailed revenue requirement data it receives from carriers, no later than thirty days after release of this order."<sup>4</sup>

- Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The information on the CD-Rom contains sensitive study area specific information provided by pool members to NECA in its capacity as interstate access tariff and pool

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<sup>3</sup> 47 C.F.R. §§ 0.457 and 0.459; 5 U.S.C. § 552, et. seq. Section 0.457(d)(iii) specifically identifies information submitted in connection with audits, investigations, and examination of records pursuant to 47 U.S.C. 220 as material that has been accepted by the Commission on a confidential basis pursuant to 5 U.S.C. 552(b)(4).

<sup>4</sup> *USF/ICC Reform Order* at ¶ 225.

administrator. At the study area level, the information is granular and highly confidential to the reporting pool members.

The interstate access and supplemental data is treated as a confidential trade secret by pool members. NECA would not agree to submit the data in response to the Commission staff's request without assurances that the information will be kept confidential. It would be highly inappropriate for the data to be disclosed to the public or third parties.

- Explanation of the degree to which the information concerns a service that is subject to competition:

Rural telephone service has historically lent itself to "cherry picking" by competitors that choose to serve only the low cost areas within a study area. Detailed information about revenues and expenses may help prospective competitors to gain insight to incumbent LEC (ILEC) market strategies and gain competitive advantage.

- Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The information provided in the attached CD-Rom is made available only to NECA representatives on a need to know basis. Any public information is only made available on an aggregate basis.

- Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The information in the Excel spreadsheet on the CD-Rom is not publicly available.

- Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

NECA requests that all of the data provided on the CD-Rom be treated as confidential indefinitely. Because of the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.

- Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted:

By addressing the data request to NECA, the Commission avoided the burden of seeking out the data for 700+ cost company study areas. However, the Commission should take care to not deprive those ILECs of the opportunity to speak for themselves in the event of a FOIA request for access to data. NECA requests that the Commission notify carriers of any FOIA request and allow them to be given a reasonable opportunity to file detailed information supporting continued confidential treatment of their respective data.

Accordingly, NECA requests confidential treatment of the data provided on the attached CD Rom pursuant to section 0.457 and 0.459 of the Commission's rules and paragraph 4 of the Protective Order. Pursuant to the Protective Order, NECA has marked the Excel spreadsheet on the CD-Rom and each page of the non-redacted version of this filing as follows:

**CONFIDENTIAL INFORMATION (ADDITIONAL COPYING PROHIBITED) -  
SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKET  
NOS. 05-337, 07-135, 10-90, GN DOCKET NO. 09-51 BEFORE THE FEDERAL  
COMMUNICATIONS COMMISSION**

NECA has also complied with the requirement of the Protective Order for delivery of both the confidential and redacted copies of the filing.

A handwritten signature in cursive script, appearing to read "Regina McNeil".

Enclosures

CC: Sharon E. Gillett – Chief, WCB

**REDACTED – FOR PUBLIC INSPECTION**

NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	Uncollectibles	AFUDC	Adjustment for Line Port/TIC	Plant Specific	Network Support Expense	General Support Expense
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	COE - Switching Expense	COE - Operator Expense	COE - Transmission Expense	IOT Expense	Cable and Wire Facilities Expense	Plant Non Specific (excl Depr & Amort)
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	Cust. Oper. Marketing	Cust. Oper. Services	Cust. Oper. Local Business Office	Cust. Oper. Revenue Accounting	Cust. Oper. Other Billing and Collection	Corp. Operations
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	Access	USF Contributions	Depreciation & Amort.	Other Expenses and Adjustments	Total Expenses and Other Taxes	Taxes Other than FIT
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	Expenses and Other Taxes	Adjustments for FIT	Amortized ITC	General Support	Central Office Equipment - Switch	COE - Operator Systems
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	COE - Tandem Switching	COE - Local Switching	COE - Equal Access	Central Office Equipment - Transmission	COE Transmission - Interexchange Circuit	COE Transmission - Host Remote
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	COE Transmission - Exchange Circuit	COE Transmission - Subscriber Line	Cable and Wire Facilities	Cable & Wire - Subscriber Line	Cable & Wire - Exchange	Cable & Wire - Interexchange Circuit
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	Cable & Wire - Host Remote	IOT Equipment	Amortizable Assets	Total Plant	Depreciation/ Amortization Reserve	Accum. Deferred Income Tax
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NECA 2010 COST COMPANY DATA - TOTAL COMPANY

Study Area Code	Study Area Name	Other Rate Base Adjustments	Average Net Investment	Net Return	Federal Income Tax	Revenue Requirement
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	Uncollectibles	AFUDC	Adjustment for Line Port/TIC	Plant Specific	Network Support Expense	General Support Expense
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	COE - Switching Expense	COE - Operator Expense	COE - Transmission Expense	IOT Expense	Cable and Wire Facilities Expense	Plant Non Specific (excl Depr & Amort)
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	Cust. Oper. Marketing	Cust. Oper. Services	Cust. Oper. Local Business Office	Cust. Oper. Revenue Accounting	Cust. Oper. Other Billing and Collection	Corp. Operations
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	Access	USF Contributions	Depreciation & Amort.	Other Expenses and Adjustments	Total Expenses and Other Taxes	Taxes Other than FIT
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	Expenses and Other Taxes	Adjustments for FIT	Amortized ITC	General Support	Central Office Equipment - Switch	COE - Operator Systems
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	COE - Tandem Switching	COE - Local Switching	COE - Equal Access	Central Office Equipment - Transmission	COE Transmission - Interexchange Circuit	COE Transmission - Host Remote
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	COE Transmission - Exchange Circuit	COE Transmission - Subscriber Line	Cable and Wire Facilities	Cable & Wire - Subscriber Line	Cable & Wire - Exchange	Cable & Wire - Interexchange Circuit
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	Cable & Wire - Host Remote	IOT Equipment	Amortizable Assets	Total Plant	Depreciation/ Amortization Reserve	Accum. Deferred Income Tax
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NECA 2010 COST COMPANY DATA - PAY PHONE

Study Area Code	Study Area Name	Other Rate Base Adjustments	Average Net Investment	Net Return	Federal Income Tax	Revenue Requirement
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NECA 2010 COST COMPANY DATA - BASE FACTOR PORTION

Study Area Code	Study Area Name	Uncollectibles	AFUDC	Adjustment for Line Port/TIC	Plant Specific	Network Support Expense	General Support Expense
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