

**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 a 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
	)	
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

**COMMENTS OF  
THE UNITED STATES TELECOM ASSOCIATION**

This submission by USTelecom<sup>1</sup> is in response to the Wireline Competition Bureau’s (“Bureau”) request for comments on the Petition for Clarification (Petition) filed by the Independent Telephone and Telecommunications Alliance (ITTA), National Exchange Carrier Association (NECA), National Telecommunications Cooperative Association (NTCA), Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), and Western Telecommunications Alliance (WTA) (collectively, the Petitioners) for clarification of certain aspects of the

---

<sup>1</sup> USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

recently adopted rules in the USF/ICC Transformation Order and FNPRM.<sup>2</sup>

Petitioners note the lack of clarity as to whether the rules imply that for purposes of calculating the local rate floor, new governing rates were to have been effective January 1, 2012, and that any steps taken by carrier thereafter to increase rates to maintain unreduced levels of HCLS for the twelve months beginning July 1, 2012, are already moot.<sup>3</sup> Petitioners further state that “Such an interpretation of the rules would conflict with any notion of reasonableness, numerous state regulations, internal carrier corporate requirements, and indeed the very purpose stated by the Commission in adopting the ‘rate floor.’ ”

USTelecom wholeheartedly agrees with the Petitioners that such an interpretation would be nonsensical and would interfere with the purpose of the adoption of the rate floor. Carriers were encouraged to increase local rates to the level of the rate floor so that HCLS payments would be more equitably distributed among all recipients, but if the rates for purposes of this rule were considered locked in as of January 1, 2012, then this does nothing to encourage carriers to rationalize their rates.

The Bureau should act to clarify the rules that are the subject of the Petition.<sup>4</sup> Along the same lines, the Bureau should also clarify the process whereby LECs could implement a rate increase after July 1, in any given year, file an amended report pursuant to Section 54.313, and the requalify for full support thereafter for the remainder of that 12-month period.

---

<sup>2</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 a Unified Intercarrier Compensation Regime: Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, FCC 11-161 (2011) (*USF/ICC Transformation Order*).

<sup>3</sup> See Petition at 2.

<sup>4</sup> See Petition at 3, which explains the lack of clarity when reading Sections 54.318(a) and 54.313(b).

The Bureau should act to clarify the rules that are the subject of this petition as soon as possible in order to provide guidance to carriers undertaking the substantial efforts required to increase local rates and to best implement the local rate floor policy.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION



By: \_\_\_\_\_

David Cohen  
Jonathan Banks

Its Attorneys

607 14<sup>th</sup> Street, NW, Suite 400  
Washington, D.C. 20005  
202-326-7300

February 28, 2012