Barry T. Smitherman
Chairman

Donna L. Nelson
Commissioner

Kenneth W. Anderson, Jr.
Commissioner

Rick Perry
Governor

Public Utility Commission of Texas

September 7, 2012

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S. W.
Washington, D.C. 20554

Karen Majcher
Vice President, High Cost & Low Income Division
Universal Service Administrative Company
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RE: State Rate Comparability Review and Certification for Non-Rural ILECs, CC Docket No. 96-45

To the Filing Representatives:

Pursuant to 47 C.F.R. § 54.316,[1] the Public Utility Commission of Texas (Texas PUC) certifies that the rural residential rates charged by SBC Texas and Verizon[2] as of July 1, 2012 were below the Federal Communication Commission's nationwide urban benchmark of $36.52.

Therefore, for purposes of § 254(b)(3) of the Federal Telecommunications Act, the Texas PUC certifies that the rural residential rates charged by SBC Texas and Verizon are lower than urban rates nationwide, and therefore they satisfy the "reasonable comparable" standard.

If there are any questions regarding this matter, please contact Liz Kayser in our Competitive Markets Division, (512) 936-7390.

Respectfully submitted,

Michael E. Field, for

Pamela Whittington
Division Director
Competitive Markets Division

[1] See *In re Federal-State Joint Board on Universal Service,* CC Docket No. 96-45, Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order, Appendix A (rel. Oct. 27, 2003).
[2] SBC Texas and Verizon are the two non-rural incumbent local exchange carriers (ILECs) in Texas.