7852 Walker Drive, Suite 200
Greenbelt, Maryland 20770
phone: 301-459-7590, fax: 301-577-5575
internet: www.jsitel.com, e-mail: jsi@jsitel.com

REDACTED – FOR PUBLIC INSPECTION

October 24, 2012

By Hand Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 12-233
WCB/Pricing No. 12-09
Notice of *Ex Parte*

Dear Ms. Dortch:

Pursuant to telephone conversation with Richard Kwiatkowski of the Wireline Competition Bureau Pricing Policy Division held October 23, 2012, John Staurulakis, Inc. ("JSI") hereby provides supplemental information in support of the JSI Tariff F.C.C. No. 1 Issuing Carriers' ("Issuing Carriers") Direct Cases filed September 27, 2012 in the above referenced docket. Explanation is provided as to how the JSI Issuing Carriers reasonably estimated their interstate switched access demand (see attached).

This information is filed as confidential under the Commission's Protective Order.[1] One copy of the confidential version and two copies of the redacted version are provided. The redacted version has also been filed on the Electronic Comment Filing System.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

John Kuykendall
Vice President
301-459-7590
jkuykendall@jsitel.com

Attachments

cc: Richard Kwiatkowski
Robin Cohn

[1] See *In the Matter of Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB/Pricing File No. 12-09, Protective Order, DA 12-1518, rel. Sept. 21, 2012.

Explanation of How the JSI Issuing Carriers Reasonably Estimated Their Projected Interstate Switched Access Demand for the 2012-13 Tariff Filing Year

In the Designation Order, the Pricing Policy Division of the Wireline Competition Bureau ("Policy Division") designated for investigation the issue of whether the JSI Issuing Carriers as well as other local exchange carriers ("LECs") reasonably estimated their projected interstate and intrastate switched access demand for the 2012-13 tariff filing year.[1] In this context, the Policy Division first cited the Federal Communications Commission's assumption in the *USF/ICC Transformation Order* that "an average annual demand loss would be 10 percent in interstate and intrastate switched minutes of use (MOUs)."[2] It then required each LEC whose projected interstate and/or intrastate demand loss exceeds an annualized rate of 15 percent to either file an explanation of how the LEC derived its loss factor in its direct case or file a TRP utilizing an annualized projection of 15 percent projected demand loss.[3]

The following explains how the projected interstate demand loss was determined. First, in order to determine whether a carrier had projected interstate demand loss that exceeded an annualized rate of 15 percent, the actual interstate local switching MOU for the twelve months ending December 2011 was compared with the projected interstate local switching MOU for the twelve months ending June 2013 to obtain the projected demand loss.[4] If the resulting percentage was less than -21.6 percent (15 percent annualized over the 18 month period), then

[1] Investigation of Certain 2012 Annual Access Tariffs, WC Docket No. 12-233, WCB/Pricing No. 12-09, *Order Designating Issues for Investigation*, DA 12-1430 (rel. August 31, 2012) ("Designation Order") at paras. 17-21.
[2] *Id. citing Connect America Fund et al.,* WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17980-81, para. 894 (2011) ("*USF/ICC Transformation Order")pets. for review pending, Direct Commc'ns Cedar Valley, LLC v. FCC*, No. 11-9581 (10th Cir. filed Dec. 18, 2011) (and consolidated cases).
[3] Designation Order at para. 20.
[4] The billing cycle ending in December 2011 was used for the interstate calculation because that cycle contained the last full year of known MOU.

the carrier was within the “safe harbor” of annualized 15 percent for interstate. If the resulting percentage was greater than -21.6 percent, the carrier revised its TRP to be within the “safe harbor” of annualized 15 percent. Accordingly, as show in the attached spreadsheet, in the direct case for each of the JSI Issuing Carriers, the percentage was within the “safe harbor” of annualized 15 percent.[5]

[5] The attached spreadsheet also contains the interstate local switching MOU for the twelve months ending December 2011 for each of the JSI Issuing Carriers.

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Calculation of Annual MOU Demand Change - JSI Tariff Clients

		IS LS MOU Actual YE Dec-11	IS LS MOU Projected YE 6/2013	Total % Diff	Interstate Annual %
1	Home			-20.00%	-13.33%
2	Horry			-17.42%	-11.62%
3	Atlantic			-10.26%	-6.84%
4	Millington			-21.37%	-14.25%
5	Skyline			-21.37%	-14.25%
6	Yadkin Valley			-15.01%	-10.01%
7	Coalfields			-10.26%	-6.84%
8	Chesnee			-10.00%	-6.67%
9	South Central			-16.89%	-11.26%
10	Chester			-7.67%	-5.11%
11	Lockhart			-20.00%	-13.33%
12	Ridgeway			-2.60%	-1.73%
13	Mt Horeb			-15.00%	-10.00%
14	Tri County			-13.35%	-8.90%
15	Bluffton			-20.82%	-13.88%
16	Hargray			-20.29%	-13.53%
17	Interstate			-6.24%	-4.16%
18	Fort Mill			-12.36%	-8.24%
19	Rock Hill			-13.26%	-8.84%
20	Lancaster			-16.02%	-10.68%
21	Citizens			-14.97%	-9.98%
22	Farmers			-18.17%	-12.11%
23	Smart City			0.54%	0.36%
	TDS Companies				
24	Camden			-13.42%	-8.95%
25	Mt. Vernon			-12.07%	-8.05%
26	OCSI			-17.13%	-11.42%
27	TN Tel			-16.80%	-11.20%