

REDACTED – FOR PUBLIC INSPECTION



80 South Jefferson Road
Whippany, NJ 07981

Richard A. Askoff
Executive Director-
Regulatory
PH 973-884-8350
FX 973-599-6636
raskoff@neca.org

November 30, 2012

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

Re: WC Docket No. 12-233, WCB/Pricing No. 12-09

Dear Ms. Dortch:

In response to discussions with Commission staff, the National Exchange Carrier Association, Inc. (NECA) hereby submits updated information provided by the companies listed in Attachment B to supplement the original explanations filed in support of NECA's Direct Case. NECA's Direct Case¹ was filed October 4, 2012 in response to the Wireline Competition Bureau's 2012 *Designation Order* in the above-referenced proceedings.² NECA filed supplemental information November 19, 2012, that updated member company Tariff Review Plans (TRPs) and provided updated certifications for certain study areas.³

Attachment A to this letter contains detailed information regarding NECA's request for confidential treatment. In accordance with the *Protective Order*,⁴ each page of this filing has been marked:

REDACTED – FOR PUBLIC INSPECTION

¹ See *Direct Case of the National Exchange Carrier Association, Inc.*, WC Docket No. 12-233, WCB/Pricing File No. 12-09 (filed Oct. 4, 2012) (*NECA Direct Case*).

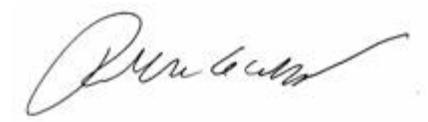
² *Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB Pricing No. 12-09, Order Designating Issues for Investigation, 27 FCC Rcd 10311 (2012). (*Designation Order*).

³ See *Supplemental Direct Case of the National Exchange Carrier Association, Inc.*, WC Docket No. 12-233, WCB/Pricing File No. 12-09 (filed Oct. 4, 2012) (*NECA Supplemental Direct Case*).

⁴ See *Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB Pricing No. 12-09, Protective Order, 27 FCC Rcd 11180 (2012) (*Protective Order*); Order on Reconsideration, 27 FCC Rcd 12126 (2012).

REDACTED – FOR PUBLIC INSPECTION

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. G. W.", is written on a light-colored background.

Enclosures

Request for Confidential Treatment

This supplemental filing includes data required by the Commission to monitor exchange carrier compliance with rules regarding the revenue recovery mechanism for rate-of-return carriers adopted in the *USF/ICC Transformation Order*.¹ This filing supplements data contained in NECA’s direct case, submitted in response to the Wireline Competition Bureau’s (*Bureau*) *Designation Order*.² It supports NECA’s calculation of each Telephone Company’s Eligible Recovery, Access Recovery Charge (ARC) rates and revenues, and Connect America Fund Intercarrier Compensation (CAF ICC) support. NECA seeks confidential treatment pursuant to the *Protective Order* issued in this proceeding³ for data contained in this supplemental filing.

Accordingly, the confidential data files on CD-ROM have been marked: **CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NO. 12-233, WCB/PRICING NO. 12-09 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION** and filed with the Secretary’s Office. Two CD-ROM copies of a redacted version of this filing marked: **REDACTED – FOR PUBLIC INSPECTION** have also been filed with the Secretary’s Office, as well as filed in WC Docket No. 12-233 using the Electronic Comment Filing System (ECFS). The un-redacted filing was also delivered to Ms. Robin Cohn, Pricing Policy Division, Wireline Competition Bureau.

Pursuant to the terms of the *Protective Order*, signed Acknowledgements⁴ requesting access to the confidential information should be sent to the attention of Richard A. Askoff, Executive Director – Regulatory, via email to raskoff@neca.org or via facsimile at 973.599.6636. NECA will provide CD-ROMs of the un-redacted files to Reviewing Parties. NECA designates 1634 I (Eye) St., NW, Suite 510, Washington, D.C. 20006 as its public inspection location.

Notwithstanding the *Protective Order*, the information provided in the confidential data files is entitled to confidential, non-public treatment under the Freedom of Information Act (FOIA) and

¹ See 47 C.F.R. § 51.919. The Commission stated that monitoring information “may be filed under protective order and will be treated as confidential.” *Connect America Fund*, WC Docket No. 10-90, *et. al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 17663 (2011) ¶ 921 (*USF/ICC Transformation Order*); *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8. 2011).

² *Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB Pricing No. 12-09, Order Designating Issues for Investigation, 27 FCC Rcd 10311 (2012). (*Designation Order*).

³ *Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB Pricing No. 12-09, Protective Order, 27 FCC Rcd 11180 (2012) (*Protective Order*); Order on Reconsideration, 27 FCC Rcd 12126 (2012).

⁴ *Id.* ¶ 3.

related provisions of the Commission's rules.⁵ The information satisfies the requirement of FOIA Exemption 4 (trade secrets or commercial/financial information). The information provided in this filing may also be protected under additional exemptions from disclosure under FOIA.

NECA submits the following information pursuant to section 0.459 in support of its request for confidential treatment of the data in this file.

- Identification of the specific information for which confidential treatment is sought: NECA seeks confidential treatment for certain information in the following files:

NECA_2012DirectCase_ECEExpl_Vol1_113012_Stamped.pdf

NECA_2012DirectCase_ECEExpl_Vol2_113012_Stamped.pdf

These files contain confidential and proprietary financial information of NECA Traffic Sensitive (TS) tariff participants. This information includes actual revenues, expenses, and demand for the 2011 fiscal year; projections of revenue requirements and demand for the 2012-2013 test period; and the product of calculations made using the confidential data. The data includes interstate access information at a more granular level than provided to the Commission in previous tariff filings, as well new data on intrastate access, reciprocal compensation, VoIP, and fees. The data is quantified at the study area and/or exchange area level and was used by NECA to calculate each exchange carrier's Eligible Recovery and ARC rates.

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

This information is filed with the Secretary's Office in conjunction with NECA's response to the Bureau's *Designation Order* investigating NECA Tariff FCC No. 5 Annual Access Charge Filing, Transmittal No. 1347.

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

⁵ 47 C.F.R. §§ 0.457 and 0.459; 5 U.S.C. § 552, *et. seq.* Section 0.457(d)(1)(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).

The information in the files contains sensitive study area-specific and exchange area-specific information for NECA TS tariff participants. At the study area and exchange area level, the information is granular and highly confidential to the reporting TS tariff participants. These financial data are treated as confidential trade secrets by TS tariff participants.

- 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, expenses, and demand will give prospective competitors access to commercially sensitive information about market strategies employed by NECA pool participants, allowing them to gain an unfair competitive advantage.

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

The information provided in the files 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 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 member company data provided 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.

The *Protective Order* places additional requirements on Reviewing Parties to destroy or return all confidential information, as well as copies and derivative materials, within two weeks after final resolution of this proceeding.⁶

⁶ *Protective Order* ¶ 18.

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

NECA is submitting this information on behalf of the member ILECs that participate in NECA's pools and tariff. The Commission should take care not to 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 member data provided in this supplemental filing pursuant to section 0.457 and 0.459 of the Commission's rules and paragraph 5 of the *Protective Order*.

Study Area ID	Study Area Name
120042	DIXVILLE TEL CO
140053	FRANKLIN TEL CO - VT
150076	CASSADAGA TEL CORP
150091	DUNKIRK & FREDONIA
150135	WARWICK VALLEY-NY
160135	WARWICK VALLEY-NJ
170171	HICKORY TEL CO
170215	YUKON - WALTZ TEL CO
190220	BURKE'S GARDEN TEL
190225	CITIZENS TEL COOP
190243	PEMBROKE TEL COOP
190248	SCOTT COUNTY COOP
190250	SHENANDOAH TEL CO
197251	SHENANDOAH - NR
220378	PLANTERS RURAL COOP
220392	WAVERLY HALL, LLC
230505	TRI COUNTY TEL MEMBR
260414	MOUNTAIN RURAL COOP
260419	THACKER/GRIGSBY TEL
270432	KAPLAN TEL CO
280456	GEORGETOWN TEL CO
290562	DEKALB TEL COOP
290579	TWIN LAKES TEL COOP
290598	WEST KY COOP-TN
300614	FORT JENNINGS TEL CO
300619	GLANDORF TEL CO
300659	TELEPHONE SERVICE
300663	VAUGHNSVILLE TEL CO
310675	BARAGA TEL CO
310676	BARRY COUNTY TEL CO
310678	BLANCHARD TEL. CO.
310688	CLIMAX TEL CO
310692	ALLENDAL (DRENTHE)
310694	FARMERS DBA CHAPIN
310703	KALEVA TEL CO
310704	ACE TEL OF MICHIGAN
310711	MIDWAY TEL CO
310713	HIAWATHA TEL CO
310714	OGDEN TEL CO
310717	ONTONAGON COUNTY TEL
310721	PIGEON TEL CO

Study Area ID	Study Area Name
310725	SAND CREEK TEL CO
310728	SPRINGPORT TEL CO
310732	UPPER PENINSULA TEL
310785	MCBC
320759	DAVISS-MARTIN/RTC
320819	SE INDIANA RURAL
330971	W. WISCONSIN TELCOM
340984	CASS TEL CO
341048	MCNABB TEL CO
361370	CLARA CITY TEL EXCH
361476	SACRED HEART TEL CO
361487	STARBUCK TEL CO
361508	WINTHROP TEL CO
361510	WOODSTOCK TEL CO
371518	ELSIE COMM., INC.
371537	DALTON TEL CO, INC
371574	NEBRASKA CENTRAL TEL
371577	GREAT PLAINS COMMUN
381447	NORTH DAKOTA TEL CO
391660	FT RANDALL-MT RUSHMR
391679	STOCKHOLM-STRANDBURG
391685	VALLEY TELECOMM.
411778	GORHAM TEL CO
411785	J. B. N. TEL CO INC
411809	MUTUAL TEL CO
411814	PEOPLES TELECOM LLC
411820	RAINBOW TELECOM
411826	RURAL TEL SERVICE CO
411829	S & A TEL CO INC
411845	WAMEGO TEL CO INC
421935	OREGON FARMERS MUT
421949	STEELVILLE TEL EXCH
431968	BEGGS TEL CO
431969	BIXBY TEL CO
431976	CARNEGIE TEL CO INC
431977	CENTRAL OKLAHOMA TEL
431979	CHEROKEE TEL CO
431980	CHICKASAW TEL CO
431982	CIMARRON TEL CO
431985	CROSS TEL CO
431988	DOBSON TEL CO

Study Area ID	Study Area Name
431995	HINTON TEL CO
432006	MICLOUD TEL CO
432008	MEDICINE PARK TEL CO
432014	OKLAHOMA WESTERN TEL
432020	POTTAWATOMIE TEL CO
432029	TERRAL TEL CO
442041	BRAZOS TEL COOP INC
442059	COLORADO VALLEY TEL
442061	COMMUNITY TEL CO
442066	DELL TEL. CO-OP - TX
442073	BORDER TO BORDER
442076	GANADO TELEPHONE CO
442131	POKA-LAMBRO TEL COOP
442168	WES-TEX TEL CO-OP
442262	ENMR TEL COOP-TX
450815	HOPI TELECOMM, INC.
452200	FORT MOJAVE TEL, INC
452226	MIDVALE-AZ
462186	EASTERN SLOPE RURAL
462188	FARMERS TEL CO - CO
462199	PLAINS COOP TEL ASSN
462201	RICO TEL CO
472226	MIDVALE TEL EXCH INC
472227	MUD LAKE TEL COOP
472231	PROJECT MUTUAL TEL
472232	DIRECT COMM-ROCKLAND
472233	RURAL TEL CO - ID
472423	INLAND TEL-ID
482235	BLACKFOOT TEL - BTC
482242	INTERBEL TEL COOP
482255	3-RIVERS TEL COOP
483308	BLACKFOOT TEL - CFT
491231	MESCALERO APACHE
492262	ENMR TEL COOP INC-NM
492263	LA JICARITA RURAL
492268	WESTERN NEW MEXICO
492270	PENASCO VALLEY TEL
502277	CENTRAL UTAH TEL INC
502279	GUNNISON TEL CO
502283	SKYLINE TELECOM
502286	SOUTH CENTRAL UTAH

Study Area ID	Study Area Name
503032	BEAR LAKE COMM
512251	RANGE TEL COOP - WY
520581	SKYLINE TELECOM CO.
522417	HAT ISLAND TEL CO
522418	PEND OREILLE TEL.
522423	INLAND TEL CO -WA
522426	KALAMA TEL CO
522446	TENINO TELEPHONE CO
522447	TOLEDO TELEPHONE CO
522452	WHIDBEY TEL CO.
532363	CLEAR CREEK MUTUAL
532369	EAGLE TEL SYSTEMS
532371	CASCADE UTIL INC
532373	GERVAIS TELEPHONE CO
532375	ROOME TELECOMM INC
532376	HELIX TEL CO.
532378	TRANS-CASCADES TEL
532384	MONITOR COOP TEL
532385	MONROE TELEPHONE CO.
532386	MT. ANGEL TEL CO.
532387	NEHALEM TELECOMM.
532388	NORTH STATE TEL CO.
532389	OREGON TEL CORP
532390	OREGON-IDAHO UTIL.
532391	PEOPLES TEL CO. - OR
532392	PINE TEL SYSTEM INC.
532393	PIONEER TEL COOP
532396	ST PAUL COOP ASSN
532397	SCIO MUTUAL TEL ASSN
532399	STAYTON COOP TEL CO
533336	OREGON TEL CORP-MTE
542311	CAL-ORE TELEPHONE CO
542332	THE PONDEROSA TEL CO
542343	VOLCANO TEL CO
552233	RURAL TEL CO - NV
552353	MOAPA VALLEY TEL CO.
552356	RIO VIRGIN TEL CO
553304	HUMBOLDT TEL CO
613005	CIRCLE TEL & ELEC
613007	CORDOVA TEL COOP
613011	INTERIOR TEL CO INC

Study Area ID	Study Area Name
613013	KETCHIKAN PUBLIC UT
613016	MUKLUK TEL CO INC
613017	ALASKA TEL CO
613023	UNITED UTILITIES INC
613026	NORTH COUNTRY TEL CO
663800	GTA TELECOM, LLC
673900	AMERICAN SAMOA