

May 9, 2013

Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

Received & Inspected

MAY 10 2013

ATTENTION: WIRELINE COMPETITION BUREAU

FCC Mail Room

RE: Waiver request of Section 51.917 (b) (7) (iii)
Midstate Telephone Company
Connect America Fund WC Docket. 10-90 *et al.*

Dear Secretary,

Pursuant to Section 1.3 of the Commission's Rules, Midstate Telephone Company (MTCO), SAC 381617 requests a limited waiver of Section 51.917 (b) (7) (iii) in order to allow (MTCO) to correct a clerical error in the identification of its Base Period Fiscal Year 2011 reciprocal compensation revenues received by March 31, 2012, less Fiscal Year 2011 reciprocal compensation payments paid and/or payable by March 31, 2012, as defined under Section 51.917 (b) (7) (iii). This filing corrects and replaces the original waiver request filed by MTCO on May 6, 2013

MTCO seeks confidential treatment under the Third Protective Order in this proceeding.¹ Pursuant to the Order, one copy of the confidential document and two copies of the redacted version are provided. The Redacted version is also being filed on the Electronic Comment Filing System.

During the Fiscal Year 2011, for some wireless carriers MTCO received a netted payment of reciprocal compensation based on the terminating CMRS to Landline minutes reduced by a contractual factor to reflect the expense that MTCO incurs for terminating land-line to CMRS traffic. For other CMRS carriers a non-netted method was used. Under non-netted basis MTCO was billed by CMRS providers for all of their terminating CMRS- land-line minutes of use and the CMRS carriers billed MTCO reciprocal compensation for land-line to CMRS traffic terminated to the CMRS provider. The method used for individual CMRS providers was determined by individual interconnection agreements that were in place, during the Fiscal Year 2011, for each CMRS provider. When MTCO initially identified its fiscal year reciprocal compensation revenues and expenses it inadvertently excluded a portion of the recip comp revenue for one of the CMRS providers which it billed using the second non-netted bases method noted above and overstated the originating reciprocal compensation expenses paid to

¹ See Third Protective Order, WC Docket Nos. 10-90 *et al.*, DA 12-1418 rel. Aug. 30, 2012 ("Order")



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CMRS providers. All of the reciprocal compensations revenue and expense amounts that were not reported correctly met the definition contained in Section 51.917 (b) (7) (iii).

The initial Base Period reciprocal compensation revenues reported by MTCO were \$[REDACTED]; the correct amount was \$[REDACTED]. The initially reported Base Period Reciprocal Compensation Expense was \$[REDACTED]; the correct amount was \$[REDACTED]. This reporting error was not discovered until early February of 2013. On a net reciprocal compensation basis the originally reported number was (\$[REDACTED]); the correct amount was \$[REDACTED]. Therefore because of the reporting error MTCO's 2011 Base Period Revenue was understated by \$[REDACTED].

This material understate of base period revenues for MTCO, if they are not allowed to correct it, would over a 5 year period reduce MTCO's CAF support by approximately \$[REDACTED]. For a small Rural ILEC this represents a significant support reduction. A limited waiver of Section 51.917 (b) (7)(iii) is requested in order to allow a correction to MTCO's base period revenue that was initially certified for its 2012 annual access filing competed by NECA and to correct the amount for the 2013 and beyond access filings.

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