

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of

**Request for Review by US Link, Inc. of
Universal Service Administrator Decision**

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WC Docket No. 06-122

**COMMENTS OF COMPTEL IN SUPPORT
OF US LINK, INC.'S REQUEST FOR REVIEW
OF UNIVERSAL SERVICE ADMINISTRATOR DECISION**

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COMPTTEL, through undersigned counsel, hereby submits these comments in support of US Link, Inc.'s Request for Review of a Universal Service Administrator Decision.¹ The Commission should grant US Link's Request for Review and reverse the Universal Service Administrative Company's ("USAC") audit finding that improperly reclassified intrastate private line revenue as interstate revenue due solely to the absence of "documentation to substantiate [the] intrastate jurisdiction" of the traffic on the line.² In so finding, USAC has misconstrued the Commission's "10 percent rule"³ and has exceeded the scope of its authority.

I. INTRODUCTION AND SUMMARY

Section 54.707 of the Commission's rules, 47 C.F.R. § 54.707, authorizes USAC to conduct audits of contributors to the universal service fund. USAC recently completed such an

¹ See, US Link's Request for Review of Universal Service Administrator Decision filed in WC Docket No. 06-122 on September 30, 2013.

² USAC Final Audit Report at 18, attached as Exhibit A to US Link's Request for Review.

³ 47 C.F.R. §36.154 (if over 10 percent of traffic carried on a private line is interstate, the revenues generated by the entire line are interstate).

audit of US Link to determine its compliance with “2011 FCC Form 499-A Rules.”⁴ At issue is meaning of the 10 percent rule, which provides that the revenues from mixed use private lines will be treated as 100 percent interstate for contribution purposes *if* the customer certifies that 10 percent or more of the traffic on the lines is interstate. Rather than evaluate US Link’s compliance with the 10 percent rule as that rule consistently has been interpreted by the Commission, USAC erroneously faulted US Link for not having documentation to prove that the traffic on its physically intrastate private lines was in fact more than 90 percent intrastate.

COMPTTEL submits that there is not even arguably any ambiguity with respect to the meaning of the 10 percent rule, or what documentation a carrier is required to obtain or retain in order to justify the interstate treatment of its private line revenues. To the extent that there is any ambiguity with respect to what documentation a carrier must obtain or retain to avoid universal service assessment of its revenues from intrastate private lines, it is up to the Commission, not USAC, to resolve that ambiguity and to give USF contributors prior notice and an opportunity to comply with any document retention requirements for intrastate private line revenues.

Objections to USAC’s improper reclassification of intrastate private line revenues as interstate have been pending before the Commission since 2007. The numerous Requests for Review of USAC decisions that have reclassified intrastate private line revenues demonstrate that the industry’s understanding of what is required to comply with the 10 percent rule varies significantly from USAC’s understanding. Although the Commission has committed to issuing decisions on Requests for Review of USAC decisions within 90 days,⁵ it has not honored this commitment in any of the pending proceedings. By failing to issue decisions, the Commission effectively empowers USAC to continue engaging in ambush by audit and unfairly keeps carriers

⁴ USAC Final Audit Report at 1, attached as Exhibit A to US Link’s Request for Review.

⁵ 47 C.F.R. §54.724. The Commission may extend the time by an additional 90 days.

in the dark about the nature of the documentation that they are required (or not required) to maintain on their intrastate private line circuits in order to avoid USF assessment.

II. USAC HAS OVERSTEPPED ITS BOUNDS

As the outside administrator of the universal service funds, USAC is responsible for administering the fund's support mechanisms, billing contributors, collecting contributions and disbursing universal service support funds, all subject to Commission oversight. 47 C.F.R. §§ 702(a), (b). *In the Matter of Universal Service Contribution Methodology*, WC Docket No. 06-122, FCC 12-134 at ¶10 (rel. Nov. 5, 2012). USAC is not responsible for, and indeed is specifically prohibited from, making policy or interpreting unclear provisions of the Commission's rules. 47 C.F.R. § 702(c).

The Commission has candidly acknowledged that it “has not codified any rules for how contributors should allocate revenues between the interstate and intrastate jurisdictions for contributions purposes. . . .”⁶ It has also acknowledged that:

[w]hile there are no codified rules on how to allocate revenues, the FCC Form 499-A Instructions provide some guidance. The instructions direct contributors to report all of the revenues for private lines as 100 percent interstate if more than 10 percent of the traffic on that line is interstate. . . .⁷

The lack of any codified rules informing contributors how they are to allocate revenues between the interstate and intrastate jurisdictions for contribution purposes or what documentation they are required to maintain to support such allocation belies any claim that

⁶ *In the Matter of Universal Service Contribution Reform*, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, at ¶ 126 (rel. Apr. 30, 2012) (*Contribution FNPRM*).

⁷ *Id.* at n. 246. Specifically, the Instructions state that “[i]f over ten percent of the traffic carried over a private or WATS line is interstate, then the revenues and costs generated by the entire line are interstate.” 2011 Telecommunications Reporting Worksheet Instructions at 22.

USAC acted within its authority in reclassifying US Link’s physically intrastate private line revenue as interstate on the grounds that all private line revenue is to be treated as interstate unless a contributor is able to produce “a traffic study, customer certifications” or other evidence demonstrating that the traffic on the line is *not* more than 10 percent interstate.⁸ Because there is no Commission rule requiring contributors to obtain, maintain and/or produce such evidence for their physically intrastate private lines, the Commission cannot countenance USAC’s reclassification and must reverse the audit finding.

A. USAC Has Misinterpreted The 10 Percent Rule

There is no merit to USAC’s assertion that “by reporting its private line revenue on its form as intrastate without obtaining or maintaining documentation to substantiate its intrastate jurisdiction,” US Link failed to comply with the Form 499-A Instructions.⁹ The “guidance” set forth in the Form 499-A Instructions provides that if over 10 percent of the traffic carried over a private line is interstate, then the revenues and costs generated by the entire line are classified as interstate, citing Section 36.154(a) of the Commission’s Rules as authority for the “10 percent rule.”¹⁰

Part 36 of the Commission’s Rules delineates the jurisdictional separations procedures incumbent local exchange carriers are required to use to allocate property costs, revenues, expenses, taxes and reserves between state and interstate jurisdictions. Section 36.154(a)(1.1) states that all private lines carrying exclusively intrastate traffic as well as private lines and WATS lines carrying both interstate and intrastate traffic will be assigned to the state jurisdiction

⁸ USAC Final Audit Report at 14.

⁹ USAC Final Audit Report at 18, attached as Exhibit A to US Link’s Request for Review.

¹⁰ 2011 Telecommunications Reporting Worksheet Instructions at 22 and n. 43.

if the interstate traffic on the line constitutes less than 10 percent of the total traffic on the line. Conversely, Section 36.154(a)(1.2) provides that all private lines carrying exclusively interstate traffic as well as private lines and WATS lines carrying both interstate and intrastate traffic will be assigned to the interstate jurisdiction if the interstate traffic on the line constitutes more than 10 percent of the total traffic on the line. In the jurisdictional separations context, the Commission has required carriers to obtain certifications from their customers that more than 10 percent of their traffic is interstate in order to purchase interstate private lines.¹¹ The Commission has never, however, required carriers to obtain certifications from their customers that 10 percent or less of their traffic is interstate in order to purchase intrastate private lines or to assign their intrastate private line costs and revenues to the state jurisdiction.

The Commission adopted the 10 percent rule after the Federal State Joint Board recommended that the separations treatment of mixed use special access lines carrying both intrastate and interstate traffic be changed to reflect a greater recognition of state interests in the regulation of such facilities.¹² Up until the rule change, “the cost of special access lines carrying both state and interstate traffic [was] generally assigned to the interstate jurisdiction,” thereby depriving state commissions of jurisdiction over the regulation of intrastate private line systems carrying even a *de minimis* amount of interstate traffic.¹³ In order to accord proper recognition to both the state and federal regulatory interests in mixed use facilities, the Commission adopted the Joint Board’s recommendation that special access lines be classified as interstate only when

¹¹ *In the Matter of MTS and WATS Market Structure*, 4 FCC Rcd 5660 (1989).

¹² *Id.*

¹³ *Id.* at ¶ 2.

customers submit certifications “that each of their special access lines carries more than a de minimis amount of interstate traffic.”¹⁴

USAC’s position that it may reclassify intrastate private line revenues as interstate revenues in the *absence* of a customer certification or traffic study¹⁵ is wrong for a number of reasons. First, it cannot be reconciled with the Joint Board’s recommendations on the jurisdictional treatment of mixed use private lines and the Commission’s decision adopting those recommendations. USAC’s contention that the traffic on physically intrastate private lines should be presumed to be interstate in nature in the absence of evidence to the contrary completely nullifies the amendment to the separations rules that the Commission put in place in 1989. If USAC’s interpretation were correct, there would have been no need for the Commission to adopt the rule requiring carriers to obtain certifications from their customers that more than 10 percent of their traffic is interstate in order for mixed use private lines to be treated as jurisdictionally interstate.¹⁶

Secondly, USAC’s assertion that carriers must submit traffic studies as an alternative to customer certifications to prove the *intrastate* nature of the traffic on private lines directly conflicts with the Joint Board’s Recommendations on jurisdictional separations and the

¹⁴ *Id.* at ¶¶ 3, 6.

¹⁵ See USAC Final Audit Report at 14, 17, attached as Exhibit A to US Link’s Request for Review (stating that US Link was “required to evaluate the traffic on its private lines, whether through a traffic study, customer certifications or other means” and faulting US Link for failing to provide an analysis “of the type of traffic carried over the circuits” to determine jurisdiction).

¹⁶ “The Joint Board concluded that the administrative benefits of this rule could best be achieved through certification by customers that each of their special access lines carries *more than a de minimis amount [i.e., more than 10 percent] of interstate traffic.*” 4 FCC Rcd 5660 at ¶3 (emphasis added). As noted, prior to the rule change, mixed use private lines were assigned to the interstate jurisdiction, which USAC proposes to do in the absence of customer certifications that each of their private lines carries more than 90 percent intrastate traffic.

Commission's Order adopting those Recommendations which make clear that customer certifications, rather than traffic studies, are the appropriate means for demonstrating the interstate nature of the traffic on private lines. The Joint Board explained that

We believe that the benefits of this method can best be achieved through customer certification that each special access line carries more than a de minimis amount of interstate traffic. While we have some reservations about recommending a uniform, nationwide verification system for separations purposes, we believe that many of the benefits inherent in the system we are proposing could be lost through overly burdensome verification requirements. Thus, we recommend that, for separations purposes, verification of customer representations concerning relative state and interstate traffic levels be carefully circumscribed. In determining the jurisdiction to which mixed use special access lines are to be assigned, the LECs should only require verification when the customer representations appear questionable. In particular, *we believe that, absent extraordinary circumstances, the LECs should not require usage information in the process of verifying the separations treatment of mixed use special access lines unless such information is readily available without special studies. Such verification should also be limited to general information concerning system design and functions whenever possible.*¹⁷

In adopting the Recommendations, the Commission stressed that it did not expect traffic studies to verify the interstate, let alone intrastate, nature of traffic on private lines:

We wish to emphasize the importance of the carefully circumscribed verification procedures recommended by the Joint Board. As the Joint Board recognized, traffic on many special access lines cannot be measured at present without significant additional administrative efforts. In many cases, even the end user does not have precise information on traffic patterns, although such customers should have sufficient information on relative state and interstate traffic volumes, for purposes of this rule, based on system design and functions. While we expect customers to act in good faith when certifying the nature of their traffic based on existing information, *we do not expect special access customers to perform additional traffic studies for this purpose.* To mandate a more rigorous approach would seriously undermine the administrative benefits of the separations procedures recommended by the Joint Board.¹⁸

¹⁷ *In the Matter of MTS and WATS Market Structure*, 4 FCC Rcd 1352 at ¶ 32 (Joint Board 1989) (emphasis added).

¹⁸ 4 FCC Rcd 5660 at n. 7 (emphasis added).

Consistent with the terms of the Joint Board Recommendations and the Commission’s Order, US Link provided USAC system design information documenting the A and Z (end point) locations of each of its intrastate private lines.¹⁹ Contrary to the Commission’s determination, USAC improperly concluded that such system design information was insufficient to demonstrate the intrastate nature of the traffic on the private lines.

Thirdly, USAC’s presumption that private line traffic is interstate until proven otherwise improperly usurps regulatory jurisdiction over intrastate private line facilities and systems from the state commissions and disregards the Commission’s intention to accord proper recognition to state regulatory interests.²⁰

Finally, USAC’s interpretation of the 10 percent rule improperly assumes that all intrastate private lines are mixed use facilities subject to the rule as opposed to private lines carrying exclusively intrastate traffic.

B. The Commission, Not USAC, Must Determine Whether and When Carriers Must Obtain Customer Certifications To Avoid Paying USF Assessments On Intrastate Traffic

As the Commission noted in the *Contribution FNPRM*, the Instructions to the FCC Form 499-A “implicitly assume that the regulatory classification of the service in question determines how it should be treated for contribution purposes.”²¹ USAC points to no Commission rule that requires a carrier to “maintain documentation to support” its reporting of intrastate private line revenues as intrastate. Instead, USAC points to the provision in the Instructions that says “[f]ilers shall maintain records and documentation to justify information and reporting on the

¹⁹ USAC Final Audit Report at 3, 7, attached as Exhibit A to US Link’s Request for Review.

²⁰ 4 FCC Rcd 5660 at ¶8.

²¹ *Contribution FNPRM* at n. 246.

Worksheet, including the methodology used to determine projections and to allocate *interstate* revenues” (emphasis added) and to the rule for “treatment of mixed use (i.e., intrastate and interstate) special access lines for jurisdictional separation purposes as codified at 47 C.F.R. §36.154(a). . . .”²² USAC also notes that “in order to evaluate the traffic carried over a private line to determine whether the traffic is governed by the ‘10% Rule,’ the Joint Board concluded that the direct assignment method (between intrastate and interstate) ‘can be best achieved through customer certification that each special access line carries more than a de minimis amount of interstate traffic.’”²³ Thus, by its own admission, the “10% rule” only requires carriers to obtain customer certifications when private lines carry more than a de minimis amount of *interstate* traffic. Nonetheless, USAC faulted US Link for failing to produce documentation to support the *intrastate* jurisdiction of its private line revenues and asserted with no citation to authority that the “Joint Board’s recommendation, adopted by the Commission, does not permit a carrier to assume intrastate jurisdiction of its private lines.”²⁴

There is no basis for USAC’s reading that the 10 percent rule require carriers to obtain customer certifications when private lines carry *less* than a de minimis amount of interstate

²² USAC Final Audit Report at 6, attached as Exhibit A to US Link’s Request for Review (emphasis added). While USAC correctly parrots the Instructions to Form 499-A, it ignores the Commission’s admonition that private lines are to be treated as interstate only where the customer certifies that more than 10 percent of the traffic on the lines is interstate. *In the Matter of MTS WATS Market Structure*, 16 FCC Rcd 11167 at ¶ 2 (2001) (under Section 36.154 of the Commission’s rules, mixed use special access lines are treated as interstate if the customer certifies that more than 10 percent of the traffic on those lines consists of interstate calls).

²³ USAC Final Audit Report at 14, attached as Exhibit A to US Link’s Request for Review.

²⁴ *Id.* at 12 (“carrier did not obtain documentation to support the intrastate jurisdiction of its private line revenue”) and 14.

traffic as well as when they carry more than a de minimis amount of interstate traffic.²⁵ For regulatory classification purposes, a customer certificate is necessary to demonstrate interstate usage on private lines, not intrastate usage, and that classification determines how the line should be treated for contribution purposes. In directing US Link to record as interstate all revenues from intrastate private lines for which it does not have a certificate from a customer attesting that 10 percent or less of the traffic is interstate or a traffic study, USAC has exceeded its authority and improperly overruled the Commission's prior decision that customer certificates are necessary to demonstrate that more than a de minimis amount of traffic on the lines is interstate in order to be assigned to the interstate jurisdiction.

If the Commission expects carriers to obtain customer certifications to demonstrate intrastate usage on private lines to avoid USF assessments on intrastate traffic, as USAC would have it, it needs to give public notice of that requirement. Allowing USAC to make such a determination by fiat cannot be reconciled with Section 54.702(c) of the Commission's rules, 47 C.F.R. § 54.702(c), which prohibits USAC from making policy or interpreting unclear provisions of the Commission's rules. COMPTTEL submits that the provisions of the 10 percent rule are not unclear, but even if they are, USAC is not authorized to interpret those unclear provisions and impose new requirements on carriers during the course of an audit. To the extent that the USAC believes that the 10 percent rule, as consistently interpreted by the Commission,²⁶ prevents it

²⁵ *In the Matter of Petition for Expedited Ruling Filed by the National Association of Information Services, Audio Communications, Inc. and Ryder Communications, Inc.*, 10 FCC Rcd 4153 (1994) (“a subscriber line is deemed to be interstate in nature for cost allocation purposes if the customer certifies that 10 percent or more of the calling on that line is interstate.”)

²⁶ *See also, In the Matter of GTE Telephone Operating Cos.*, 13 FCC Rcd 22446 at ¶27 and n. 95 (1998) (finding that GTE's ADSL service is properly tariffed at the federal level where the service will carry more than a de minimis amount of interstate traffic and GTE asks “every ADSL customer to certify that 10 percent of more of its traffic is interstate”); *In the Matter of*

from complying with GAGAS,”²⁷ USAC must ask the Commission for guidance.²⁸ In the alternative, USAC may ask the Commission for guidance to clarify exactly what documentation carriers are required to retain to evidence the intrastate or mixed use nature of the traffic on their private lines and to include instructions to that effect on the Form 499-A on a prospective basis. In the meantime, carriers should not be penalized or forced to reclassify intrastate private line traffic as interstate in order to satisfy USAC’s distorted perception that although the 10 percent rule states that revenues from private lines will be treated as interstate only if the customer certifies that more than 10 percent of the traffic on the lines is interstate, what it actually means is that revenues from private lines will be treated as interstate if the customer does not certify that 90 percent or more of the traffic on the lines is intrastate.

III. THE COMMISSION MUST ADDRESS WITHOUT FURTHER DELAY USAC’S UNWARRANTED PRACTICE OF RECLASSIFYING INTRASTATE PRIVATE LINE REVENUE AS INTERSTATE IN THE ABSENCE OF EVIDENCE TO THE CONTRARY

USAC’s improper reclassification of US Link’s intrastate private line revenue as interstate is not an isolated incident. Pending before the Commission are at least six other Requests for Review of USAC decisions that improperly reclassified carriers’ intrastate private line revenue as interstate, one of which dates back to 2007.²⁹ What these numerous appeals

MTS WATS Market Structure, 16 FCC Rcd 11167 at ¶ 2 (2001) (under Section 36.154 of the Commission’s rules, mixed use special access lines are treated as interstate if the customer certifies that more than 10 percent of the traffic on those lines consists of interstate calls).

²⁷ USAC Final Audit Report at 15, Attached as Exhibit A to US Link’s Request for Review.

²⁸ 5 U.S.C. § 702(c).

²⁹ See, DeltaCom’s Request for Review of Universal Service Administrator Decision filed in WC Docket No. 06-122 September 30, 2013; Puerto Rico Telephone Company Request for Review of Decision of the Universal Service Administrator filed in Docket No. 06-122 June 25, 2012; Request for Review of PaeTec Communications, Inc. of Universal Service Administrator

demonstrate is that there is a widespread industry understanding that physically intrastate private line revenues will not be treated as interstate revenues for USF assessment purposes in the absence of a customer certification that more than 10 percent of the traffic on the lines is interstate. If the industry understanding is not correct, the Commission must so inform the public by issuing a decision on the Requests for Review and clarifying what documentation carriers must retain to evidence the intrastate nature of the traffic on their private lines. If the industry understanding is correct, the Commission must so inform USAC and direct it to stop defaulting private line revenue to the interstate jurisdiction whenever a carrier does not produce a customer certification that the traffic on the line is 90 percent or more intrastate.

The Commission's Rules provide that the Commission "shall issue a written decision in response to a request for review" of a USAC decision within 90 days of its filing, which period may be extended for an additional 90 days.³⁰ The Commission has not honored this time commitment with respect to any of the Requests for Review for which the comment cycles have closed.³¹ The Commission's failure to comply with its own rule adversely affects all contributors to the universal service fund. USAC does not make its audit reports publicly available and the Commission provides no public notice of the actions USAC takes during audits that may impact the way a carrier reports revenues. By not issuing a written decision on any of

Decision filed in WC Docket No. 06-122 April 3, 2012; XO Communications Services, Inc. Request for Review of Decision of the Universal Service Administrator filed in WC Docket No. 06-122 December 29, 2010; Madison River Request for Review of Decision of Universal Service Administrator filed in WC Docket No. 06-122 December 12, 2008; McLeod USA Telecommunications Services, Inc. Request for Review of Universal Service Administrator Decision filed in WC Docket No. 06-122 October 1, 2007.

³⁰ 47 C.F.R. §54.724.

³¹ The comment cycle has not closed and the 90 days have not yet run on the September 30, 2013 DeltaCom Request for Review.

these long-pending appeals, the Commission effectively empowers USAC to continue engaging in ambush by audit and unfairly keeps carriers in the dark about the nature of the documentation that they are required (or not required) to maintain on their intrastate private line circuits in order to avoid USAC reclassifying intrastate revenues as interstate.

There is no question that the Commission has a duty to act on appeals of USAC Administrator decisions in a timely fashion (maximum six months) and that it has been remiss in fulfilling this duty. 47 C.F.R. §54.724.³² The Commission's failure to issue a decision on the appeals insulates from review USAC's unilateral reclassification of intrastate private line revenues as interstate and its improper assessment of federal USF charges on those intrastate revenues. The Commission's obligations to oversee and manage USAC, to lend its expertise to correct USAC's misinterpretation of the 10 percent rule and to allow the creation of a record subject to further review all go unrealized so long as the Commission fails to resolve the appeals.

The public interest is in no way served by the Commission's inaction in confirming that either USF contributors should comply with its construction of the 10 percent rule or informing them that on a going forward basis they are required to have their intrastate private line customers certify that the traffic on their circuits is more than 90 percent intrastate in order to avoid USF assessment of the revenues from those circuits, as USAC contends. To the extent that the Commission were to determine that USAC's construction of the 10 percent rule is correct, which it should not, it would be inequitable and unlawful to apply that construction to US Link or any other carrier on a retroactive basis. *See, In the Matter of Request for Review by Intercall, Inc. of Decision of the Universal Service Administrator*, 23 FCC Rcd 1073 at ¶¶ 8, 24 (2008)

³² *See also*, 5 U.S.C. 555(b) which provides that each agency shall proceed to conclude a matter presented to it "within a reasonable time" and 5 U.S.C. § 706 directing a reviewing court to compel agency action unlawfully withheld or unreasonably delayed.

(where contribution obligations were unclear to members of industry, USAC decision requiring provider to file Form 499s for past periods reversed and filing required on prospective basis only). The Commission must give USF contributors prior notice of, and an opportunity to comment on, any proposed changes to the jurisdictional separations procedures that will affect their obligations to the USF fund. In no event can it allow USAC to implement such changes unilaterally.

It is not only USF contributors that are unfairly prejudiced by the Commission's failure to decide the issue raised in these appeals. USAC's unilateral reclassification of intrastate private line revenues as interstate where carriers do not produce customer certifications that the traffic on the lines is 90 percent or more intrastate wrongly deprives state commissions of jurisdiction over those revenues in a manner inconsistent with the jurisdictional separations processes established by the Commission.³³ As the Supreme Court has made clear, Section 152 of the Communications Act, 47 U.S.C. §152, "fences off from FCC reach or regulation intrastate matters – indeed, including matters 'in connection with' intrastate services."³⁴ The Commission's prior determination that revenues from private line services will only be assigned to the interstate jurisdiction when a customer submits a certification that more than 10 percent of the traffic on the lines is interstate properly recognizes and accommodates the dual state and federal regulation of telecommunications service. Because the regulatory classification determines how services are to be treated for contribution purposes,³⁵ USAC's attempt to expand

³³ *In the Matter of MTS and WATS Market Structure*, 4 FCC Rcd 1352 at ¶ 23 ("The separations procedures perform an important role in defining the separate state and federal regulatory spheres and, thus have a major effect on both jurisdictions.")

³⁴ *Louisiana Public Service Commission v. FCC*, 476 U.S. 355, 370 (1986).

³⁵ *Contribution NPRM* at n. 246.

the contribution base of interstate revenues by rewriting the 10 percent rule must be vacated. USAC has no authority to impose USF assessments on intrastate revenues,³⁶ to wrest regulatory authority over such revenues from state commissions or to disturb the balance the Commission created between the dual state and federal regulation of telecommunications services.

CONCLUSION

For the foregoing reasons and those stated in US Link's Request For Review, the Commission must reverse USAC's audit finding that US Link's intrastate private line revenues should be reclassified as interstate for USF contribution purposes.

Respectfully submitted,

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³⁶ 47 U.S.C. § 254(d).