

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 11M-1036T

IN THE MATTER OF THE FEDERAL COMMUNICATIONS COMMISSION'S
NOVEMBER 18, 2011 REPORT AND ORDER AND FURTHER NOTICE OF
PROPOSED RULEMAKING IN WC DOCKET NOS. 10-90, ET. AL. FCC 11-161.

**ORDER REQUIRING THE FILING OF SWITCHED
ACCESS TARIFFS BY ALL LOCAL EXCHANGE
CARRIERS, COMPETITIVE LOCAL EXCHANGE
CARRIERS, AND COMPETITIVE ACCESS PROVIDERS**

Mailed Date: April 20, 2012
Adopted Date: April 19, 2012

I. BY THE COMMISSION

A. Statement

1. On November 18, 2011, the Federal Communications Commission (FCC) issued its Report and Order and Further Notice of Proposed Rulemaking in WC Docket Nos. 10-90, *et. al.* FCC 11-161 (FCC Order). The FCC Order comprehensively modifies the current Universal Service program and Intercarrier Compensation Rules. The FCC Order sets forth a multi-year transition path for terminating end office switching, certain transport, and reciprocal compensations charges.¹ The FCC Order also identifies revenue loss recovery mechanisms. Many steps of the transition path require carriers to make filings at state commissions. We recognize these requirements and the necessity to address procedural issues that may arise as a result.

¹ See FCC Order, Figure 9 on page 272-273.

2. Effective July 1, 2012, the FCC Order mandates that a carrier's intrastate terminating End Office Access Service rates,² terminating Tandem-Switched Transport Access Service intrastate rates,³ originating and terminating Dedicated Transport Access Service intrastate rates,⁴ and reciprocal compensation rates, if above the carrier's interstate access rates, be reduced by 50 percent of the differential between the intrastate rates and the carrier's interstate access rates. The following paragraphs further explain the process, documentation, and timelines we require in order to most efficiently implement the tariff filing for the first transition step and include the production of additional information in support of the tariff filing. We direct Commission Staff to review the information and work with the carriers to resolve any issues as best as possible prior to the tariff effective date in order to minimize the need for suspending the tariffs.

3. The FCC Order capped all interstate and intrastate access rates at the rates in effect on the effective date of the FCC Order. This Commission capped intrastate access rates in Docket No. 12R-148T, Decision No. C12-0179, mailed February 21, 2012. The FCC Order is clear that a carrier that has intrastate rates lower than its functionally equivalent interstate rates may not increase such rates.⁵ Thus, carriers' rates must either be reduced or remain at the Commission's capped rates.

4. As a result of the FCC Order, the carrier shall provide the interstate access elements and rates, the intrastate access elements and rates, and the 2011 demand and revenues for each of the elements. In order to implement the FCC's transition rules § 51.907 and

² See 47 *Code of Federal Regulations* (C.F.R.) § 51.903(d).

³ See 47 C.F.R. § 51.903(i).

⁴ See 47 C.F.R. § 51.903(c).

⁵ See, e.g., 47 C.F.R. §§ 51.907(c)(3), 51.907(d)(2)(iv), 51.907(e)(2), 51.907(g)(3), 51.909(a)(3), 51.909(b)(3), 51.909(d)(4), and 51.911(b)(6).

§ 51.909, we have provided a spreadsheet in Attachment A to aid in calculating the difference between intrastate and interstate revenues. The spreadsheet is pre-populated and has standard rate elements that may differ from a carrier's actual rate elements. In this case, a carrier must modify the spreadsheet with the rate structure, elements, and its actual access rates. Alternatively, carriers may file an executable file as a replacement for Attachment A that contains the same information. FCC transition rules § 51.907 and § 51.909 require the identification of interstate and intrastate access elements and rates as well as the 2011 demand and revenue for each of the elements.

5. Some carriers in Colorado have a blended switched access rate in their intrastate tariff that is comprised of the carrier common line, local switching, and tandem transport charges. This blended rate must be disaggregated for proper calculations pursuant to this transition process mandated by the FCC. Disaggregation will also ensure carriers do not charge for functions not performed by the carrier.⁶ Attachment B to this Order provides a spreadsheet with the rate elements and rates to assist carriers in disaggregating their blended switched access rates which we require in order to begin the transition process.

6. Finally, the FCC Order allows price cap incumbent carriers and rate of return carriers to recover some access revenue loss through an increased consumer charge [Access Recovery Charge] and through the newly established Connect America Fund.

⁶ See FCC Order, paragraph 970. See FCC 11-59, Memorandum and Opinion Order dated April 8, 2011, AT&T Corp. v. YMax Communications, Corp. See DA 12-298 Order dated February 12, 2012.

The FCC requires the carriers to submit data to the state to enable the state to monitor implementation of the recovery mechanism. We expect to issue another decision in the near future addressing the filing requirements for the recovery mechanism for the state to assess the transition.

7. No later than May 18, 2012, carriers shall file Attachment A⁷ of this Order and an advice letter and tariff filing with an effective date of July 1, 2012.

8. Attachments A and B will be posted to the Commission's website.

II. ORDER

A. The Commission Orders That:

1. Advice letter and tariffs shall be filed pursuant to Rules Regulating Telecommunications Providers, Services, and Products, 4 *Code of Colorado Regulations* 723-2-2122 no later than May 18, 2012.

2. New tariffs shall be effective as of July 1, 2012.

3. Carriers shall disaggregate the blended switched access rates.

4. Attachment A shall be filed in an executable format along with the advice letter and tariffs. Alternatively, carriers may file an executable file as a replacement for Attachment A. PDF-only documents will not be acceptable.

5. Advice letters shall *not* be filed in this miscellaneous docket.

6. Carriers are to provide a copy of the relevant interstate access tariff terms, conditions, and rate pages or in the alternative may reflect a web address

⁷ Or an alternative containing the same information.

(or alternative reference) where the specific interstate rates may be viewed and are easily identifiable and accessible.

7. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 19, 2012.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

JAMES K. TARPEY

MATT BAKER

Commissioners