

Decision No. C14-0412

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14M-0341T

IN THE MATTER OF THE FEDERAL COMMUNICATIONS COMMISSION PART 51
RULES 51.907 THROUGH 919 CONCERNING ORIGINATING VOIP-PSTN TRAFFIC
RATE TREATMENT AND THE THIRD PHASE OF MODIFYING THE INTRASTATE
TERMINATING SWITCHED ACCESS RATES.

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

Mailed Date: April 18, 2014

Adopted Date: April 16, 2014

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) and associated orders.¹ The FCC also issued an order clarifying, among other issues, the Connect America Fund ICC Certification deadlines and the National Exchange Carrier Association Pooling.² The FCC Order set forth a multi-year transition path for terminating end office switching, certain transport, and reciprocal compensations charges.³

¹ See the Second Order on Reconsiderations, Adopted April 24, 2012, Released April 25, 2012; Third Order on Reconsiderations; Adopted June 14, 2012, Released June 14, 2012; Fourth Order of Reconsideration, Adopted July 18, 2012, Released July 18, 2012; Fifth Order on Reconsideration, Adopted November 13, 2012, Released November 16, 2012; and the Sixth Order on Reconsideration, Adopted January 31, 2013, Released February 27, 2013.

² DA 13-564, Adopted March 27, 2013, Released March 27, 2013.

³ See FCC Order, Figure 9 on page 272-273.

2. On April 24, 2012, the FCC revised the rules addressing originating intrastate VoIP (Voice over Internet Protocol) –PSTN (Public Switched Telephone Network) traffic⁴ and amended Part 51 rules to permit Local Exchange Carriers (LECs) to default to a tariff rate equal to their intrastate originating access rates when they originate intrastate toll VoIP-PSTN traffic until June 30, 2014. Effective July 1, 2014, LECs are required to file tariff default rates for originating intrastate VoIP-PSTN traffic to their interstate originating access rates. This will require carriers to update their tariffs to include originating intrastate VoIP-PSTN traffic in the VoIP-PSTN sections that describe methodologies used to determine the percent of originating intrastate VoIP-PSTN traffic in total originating intrastate traffic and any related terms and conditions.

3. The third phase of the Intercarrier Compensation (ICC) transition is also being implemented on July 1, 2014. LECs, Competitive Local Exchange Carriers (CLECs), and Competitive Access Providers must calculate their 2014 Target **Composite Interstate Terminating End Office Access Rate** by reducing by one-third the difference between their 2011 Baseline **Composite Terminating End Office Access Rate** and \$0.0007 for Price Cap LECs and CLECs that benchmark access rates to Price Cap LECs and \$0.005 for Rate of Return LECs and CLECs that benchmark access rates to Rate of Return LECs.⁵ Carriers may then develop *interstate* terminating end office access rates whose composite does not exceed the composite target rate. The *intrastate* terminating end office access rates are then capped at their comparable *interstate* terminating end office access individual rates. In addition, carriers may not increase any existing intrastate rate.

⁴ FCC 12-47 Adopted April 24, 2012, Released April 25, 2012.

⁵ DA 14-434 Adopted March 31, 2014, Released March 31, 2014.

4. The following paragraphs further explain the process, documentation, and timelines we require in order to most efficiently implement the tariff filing for the originating intrastate VoIP-PSTN traffic and the third phase of the ICC transition of intrastate access rates. Included is 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.

5. As a result of the FCC Order, the carrier shall file tariffs that include originating intrastate VoIP-PSTN traffic in the VoIP-PSTN sections that describe methodologies used to determine the percent of originating intrastate VoIP-PSTN traffic in total originating intrastate traffic and any related terms and conditions.

6. As a result of the FCC Order, all carriers impacted by FCC § 51.915 and § 51.917 shall file tariffs and associated workpapers ensuring the *intrastate* terminating access rates are: 1) no greater than their comparable *interstate* terminating end office access rate; and 2) have not increased. The workpapers provided shall be in executable form. The FCC requires the carriers to submit data to the state to enable the state to monitor implementation of the recovery mechanism.

7. No later than May 16, 2014, carriers shall file tariffs and workpapers under a separate Advice Letter. The advice letter and tariff filing shall have an effective date of July 1, 2014. Do not file in the 14M-0341T proceeding.

II. ORDER

A. The Commission Orders That:

1. Advice letters 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 16, 2014.

2. New tariffs shall be effective as of July 1, 2014.

3. Workpapers shall be provided in executable form.

4. Advice letters shall *not* be filed in this miscellaneous proceeding.

5. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 16, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

PAMELA J. PATTON

GLENN A. VAAD

Commissioners

CHAIRMAN JOSHUA B. EPEL
ABSENT.