

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission Ordered)	
Investigation into Intrastate Carrier Access Reform)	Case No. 10-2387-TP-COI
Pursuant to S.B. 162.)	

**SUPPLEMENTAL REPLY COMMENTS OF
THE MACC COALITION**

INTRODUCTION

After considering all of the submitted comments, the Commission by Entry dated February 23, 2011, provided interested parties an opportunity to conduct limited discovery, along with an opportunity to file supplemental comments and reply comments. On July 1, 2011, supplemental comments were filed by Cincinnati Bell Telephone Company LLC, Cincinnati Bell Extended Territories LLC, Cincinnati Bell Wireless, LLC and Cincinnati Bell Any Distance Inc. (collectively "CBT"); T-Mobile Central LLC and VoiceStream Pittsburgh LP ("T-Mobile"); Frontier North, Inc. and Frontier Communications of Michigan, Inc. ("Frontier"); Windstream Ohio, Inc. and Windstream Western Reserve, Inc. ("Windstream Ohio"); the Office of the Ohio Consumers' Counsel ("OCC") and the Ohio Cable Telecommunications Association ("OCTA"). AT&T Entities ("AT&T") had filed its supplemental Comments several days early. Pursuant to the Commission's February 23, 2011 Entry in this matter, the MACC Coalition¹ respectfully submits its Supplemental Reply Comments.

¹ The MACC Coalition members include: tw telecom, Cavalier Telephone, PAETEC, One Communications, and First Communications. The position expressed herein is only that of the MACC Coalition members and does not reflect the position of broader membership of the Midwest Association of Competitive Communications, Inc.

SUPPLEMENTAL REPLY COMMENTS

As the MACC Coalition urged in its Initial and Reply Comments, the Commission should view its Staff's Proposal, which forms the basis of this case, only as the starting point of longer and more in-depth discussion of a host of federal and state universal service issues, including this subset of the issue as to whether and how to implement access charge reform. However, concerning the round of supplemental comments filed herein, the MACC Coalition supports the OCTA's Alternate Plan as contained in the Supplemental Declaration of Joseph Gillan.

In particular, the MACC Coalition urges the Commission to take to heart the point illuminated by OCTA—that the creation of an access restructuring fund (“ARF”) that has the sole purpose of “assuring perpetual revenues for certain legacy entities” is poor public policy (OCTA at pp. 1-2) and, as demonstrated by Mr. Gillan, is not necessary to accomplish the goals set forth in SB 162. This sentiment was essentially expressed by CBT (at p.2), and Verizon (at pp. 1, 8), as well.

A primary concern of the MACC Coalition remains the administrative burdens that the creation of the ARF will likely impose on carriers in Ohio. The question concerning the administrative headaches and significant overhead/administrative expenses posed by the ARF was raised in a number of the supplemental comments. The OCC's estimate of \$100,000 to \$300,000 annually (OCC Initial Comments filed December 20, 2010 at p. 26) to simply administer the fund is likely reasonable, but this estimate fails to take into account the cost to fund participants, both contributors to, and recipients of, the ARF's largess. This figure is likely to be multiples of the basic cost associated with the direct administration of the ARF, and may possibly rival the total size of the fund at some point in time.


The OCTA Alternative Plan recommends, instead of creating an ARF, that the Commission implement an five year phase-in of mirroring of inter and intrastate terminating access rates, rather than the flash-cut and uses a schedule of “assumed increases” in BLES rates, rather than any mandated rate adjustments in order to bring Eligible Carriers’ rates in line with statewide averages. The OCTA Alternate Plan would render *de minimus* any remaining rate imbalances at the end of the five year phase-in. Under the OCTA Alternate Plan, no carrier would be required to exceed the statewide BLES average, or increases of more than \$2.45 per year, thereby avoiding any concerns about rate-shock.

OCTA Witness Gillan’s point, that the negative aspects that attend the creation of the ARF must be weighed against the size of problems posed by access charge rebalancing, should factor heavily in the Commission’s ultimate determination in this case. OCTA, Gillan Supplemental Declaration at ¶23. See also, OCC Supplemental Comments at p. 32. The OCTA Alternate Plan has the virtue of eliminating the need for the ARF, and with it the cost of administration for all involved and *minimizing* the other administrative difficulties that would attend its creation, such as the assessment and payment calculations, and the determination of losses attributable to rebalancing versus MOU erosion, while reaching the goal of moving intrastate terminating access rates closer to, and in most cases, in alignment with interstate rates.

CONCLUSION

The MACC Coalition supports the OCTA’s Alternative Plan, and, if the Commission deems it appropriate to act now, would urge the Commission to adopt such a plan. The MACC Coalition respectfully requests that the Commission adopt its recommendations in these Supplemental Reply Comments, as well as the points raised in the MACC Coalition’s Initial and Reply Comments.

Respectfully submitted on behalf of
THE MACC COALITION

A handwritten signature in dark ink, appearing to read 'Tom O'Brien', is written over a horizontal line.

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CERTIFICATE OF SERVICE

The undersigned hereby acknowledges that a copy of the foregoing was served by either electronic mail or by regular U.S. Mail this 15th day of July 2011.


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Summary: Reply Comments electronically filed by Teresa Orahood on behalf of The MACC Coalition