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July 15, 2011

Ms. Betty McCauley
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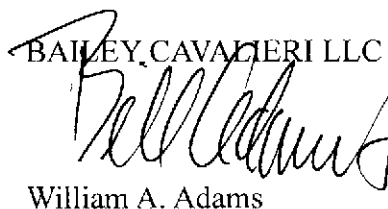
Re: *In the Matter of the Commission's Investigation into Intrastate Carrier Access Reform Pursuant to Sub. S.B. 162, Case No. 10-2387-TP-COI*

Dear Ms. McCauley:

Enclosed are the original and fifteen (15) copies of the *Reply Supplemental Comments of Windstream Ohio, Inc. and Windstream Western Reserve, Inc.* for filing in the above-referenced matter. Please time stamp the extra copies of the *Reply Supplemental Comments* and return them to our courier.

Thank you for your assistance.

Very truly yours,

BAILEY CAVALIERI LLC

William A. Adams

WAA/sg

Enclosure

cc(w/enclosure): All Counsel of Record set forth on the attached Service List
[Via Electronic Mail]

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**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

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

**REPLY SUPPLEMENTAL COMMENTS OF
WINDSTREAM OHIO, INC. AND WINDSTREAM WESTERN RESERVE, INC.**

Windstream Ohio, Inc. and Windstream Western Reserve, Inc. (collectively, "Windstream") respectfully submit the following reply supplemental comments for consideration in the Public Utilities Commission of Ohio ("Commission") investigation into intrastate carrier access reform and specifically in support of the Commission Staff's proposed Access Restructuring Plan (the "Staff Plan" or "Plan").¹

Windstream appreciates the Commission Staff's efforts to design and proffer its Plan. Staff's Plan balances the goal of restructuring intrastate switched access service rates while ensuring end-user customers are not harmed by drastic rate increases to basic local exchange services. This balance must be achieved to accomplish intrastate switched access reform that is comprehensive, meaningful and rational.

As Windstream previously stated, an intrastate switched access reform plan that adheres to good public policy should include appropriate transitions and provide local exchange carriers with meaningful revenue replacement opportunities. Any rational approach to intercarrier compensation reform must include a transition from implicit subsidies, in the form of a portion

¹ See *In the Matter of the Commission's Investigation into Intrastate Carrier Access Reform Pursuant to Sub. S.B. 162*, Appendix A, Case No. 10-2387-TP-COI, filed November 3, 2010.

of intrastate switched access charges, to explicit revenue sources over a period of time that ensures end-user customers are not adversely affected.

One area of general agreement of all parties that submitted Initial Comments in this proceeding on July 1, 2011 is that a transition of intrastate switched access reductions would effectively minimize both the size of the Access Recover Fund and harmful impacts to end-user customers. This approach is consistent with Windstream's Initial Supplemental Comments and was the one aspect of Staff's Plan that Windstream believed should be refined.

Interexchange carriers, wireless carriers, and cable providers support a transition. For example, Verizon acknowledges: "If necessary, the Commission even could phase in the proposed access rate reductions over a modest transition period to ensure Ohio ILECs are able to recoup the lost revenue and avoid consumer rate shock."² T-Mobile states that it continues to believe that the Commission's goal of restructuring access fees can be attained through rate adjustments "through a transition period of approximately four to five years."³ The Ohio Cable Telecommunications Association observes that "[t]he Alternate Plan does not propose a flash cut to interstate terminating rates, but rather proposes reducing these rates only as quickly as additional revenues become available."⁴ Further, the cable competitors' Alternate Plan proposes a five-year transition plan that would be limited to terminating intrastate switched access minutes.⁵

Other ILECs also support a transition. Cincinnati Bell observes that "the data before it supports Cincinnati Bell's call for the Commission to phase in any intrastate access reform plan

² Verizon Supplemental Comments at 13.

³ Letter from Garnet Hanly, T-Mobile Central, LLC and VoiceStream Pittsburgh, LP, to Betty McCauley, Secretary, Public Utilities Commission of Ohio, Case No. 10-02387-TP-COI, 1 (filed July 1, 2011).

⁴ Ohio Cable Telecommunications Association Initial Supplemental Comments at 3.

⁵ *Id.* at Appx. A, ¶ 16.

over time”⁶ Further, Cincinnati Bell suggests that three to five years is a reasonable transition period to transition to lower intrastate switched access rates.⁷ Frontier states that “an important element of any access reform plan is the transition period over which it is implemented. Frontier recommends that two components of the state USF be implemented over a five-year transitional, phase-in period.”⁸

Of course, one result of implementing an access reform plan with this balanced, transitional approach would be the delay of the improved profit margins sought by those carriers paying intrastate switched access charges.⁹ However, for the reasons discussed in its Initial Comments, Windstream agrees with the majority of parties that have provided comment in this investigation that a critical element of an access reform plan is a transition period that allows carriers a reasonable opportunity to shift a portion of implicit recovery to explicit revenue sources.

Although Windstream believes that the Staff’s Plan could be improved by implementing a transitional reduction to intrastate switched access rates, it continues to believe the Plan strikes a balance among the competing interests of the parties. Therefore, Windstream requests that the Commission adopt the Staff Plan if it decides not to await the results of the FCC comprehensive national intercarrier compensation reform efforts.

⁶ Cincinnati Bell Telephone Company LLC, Cincinnati Bell Extended Territories LLC, Cincinnati Bell Wireless, LLC, and Cincinnati Bell Any Distance Inc. Supplemental Comments at 1.

⁷ *Id.* at 3.

⁸ Frontier North Inc. and Frontier Communications of Michigan, Inc. Supplemental Initial Comments and Response at 2.

⁹ AT&T Supplemental Initial Comments at 5 and 17. AT&T was the only Commenter explicitly supportive of a flash cut for intrastate switched access rates to interstate rate levels.

Respectfully submitted

A handwritten signature in black ink, appearing to read "William A. Adams". The signature is fluid and cursive, with the first name "William" being the most prominent.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing *Reply Supplemental Comments of Windstream Ohio, Inc. and Windstream Western Reserve, Inc.* by electronic mail this 15th day of July, 2011, upon the persons listed below.



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