

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.)

ENTRY

The Commission finds:

- (1) On June 13, 2010, the governor of the state of Ohio signed into law Substitute Senate Bill 162 (Sub. S.B. 162), which revises state law as it pertains to the provision of telecommunications services. Among other things, Sub. S.B. 162 provides that the Commission may order changes in a telephone company's rates for carrier access within Ohio. The effective date of Sub. S.B. 162 was September 13, 2010.
- (2) By Entry of November 3, 2010, (November 3rd Entry) the Commission initiated this docket for the purpose of opening a generic investigation into intrastate carrier access reform authorized by Sub. S.B. 162.

In its November 3rd Entry, the Commission described that carrier access charges are charges assessed by local exchange carriers to providers of telephone toll service for access to the local telephone network and are intended to recover a portion of the cost of the local telephone facilities. Additionally, the Commission recognized that carrier access charges comprise a significant portion of the revenue received by small incumbent local exchange carriers (ILECs), as well as three mid-sized ILECs: Windstream Ohio, Inc. and Windstream Western, Inc. (collectively, Windstream) and CenturyTel of Ohio, Inc. dba CenturyLink (CenturyLink). The Commission explained how it has received complaints, both formal and informal, from providers of telephone toll service that the carrier access rates that they were being assessed are excessive. The Commission noted that during this time frame, the ILECs listed above have also experienced a precipitous decline in access minutes of use for which they assess carrier access charges, thus eroding a significant pillar of their financial support.

- (3) The November 3rd Entry set forth a Commission staff proposal (Staff Proposal) regarding an access restructuring plan and a series of questions pertaining to the proposed plan that would reduce

certain ILEC (i.e., small ILECs, Windstream, and CenturyLink) access charges and allow those ILECs to recoup the revenues lost from the access reductions through an intrastate Access Recovery Fund.¹ Additionally, the Staff drafted two data requests (attached as Appendices C and D, Entry of November 3, 2010), that it proposed be issued. The Commission invited all stakeholders and other interested parties to provide responses to the questions posed in Appendix B and to provide any additional comments regarding the proposed plan and proposed data requests.

- (4) Pursuant to its Entry of February 23, 2011, the Commission directed all eligible ILECs, as defined by the proposed plan, to file on or before March 18, 2011, their respective data for the 2009 and 2010 calendar years in response to Appendix C of the Commission's Entry of November 3, 2010. The eligible ILECs were also directed to file their responses to the questions set forth in the attachment to the Entry of February 23, 2011. Additionally, all contributing carriers, as defined by the proposed plan, are directed to file their respective data in response to Appendix D of the Entry of November 3, 2010. Consistent with the Commission's Entry of December 8, 2010, as amended by the Entry of April 15, 2011, interested entities were afforded the opportunity to seek discovery on the submitted data. Following this discovery period, interested entities were provided with an additional opportunity to present their positions to the Commission through the filing of supplemental and supplemental reply comments.
- (5) On November 18, 2011, the Federal Communications Commission (FCC) released its Report and Order and Further Notice of Proposed Rulemaking (Report and Order) in WC Docket No. 07-135 et al., *In the Matter of Establishing Just and Reasonable Rates for Local Exchange Carriers*. In its Report and Order, the FCC adopted an intercarrier compensation restructuring framework for both intrastate and interstate telecommunications traffic exchanged with a local exchange carrier, which will ultimately result in bill and keep.
- (6) At this time the Commission seeks comment on the FCC's Report and Order relative to its impact on this proceeding. Initial

¹ Pursuant to the June 28, 2001, Opinion and Order, Case No. 00-127-TP-COI, *In the Matter of the Commission's Investigation into the Modification of Intrastate Access Charges*, AT&T Ohio, Cincinnati Bell, Verizon North (nka Frontier North), and Embarq (nka CenturyLink) were ordered to reduce intrastate access rates to parity with their interstate access rates.

comments should be filed by February 10, 2012, and reply comments should be filed by February 24, 2012.

It is, therefore,


ORDERED, That additional supplemental comments and additional supplemental reply comments occur consistent with Finding (6) It is, further,

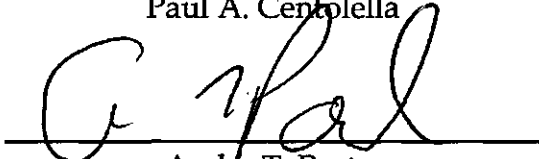
ORDERED, That a copy of this entry be served via the Commission's telephone industry electronic mail listserve, upon all ILECs, all competitive local exchange carriers, all providers of telephone toll service, all wireless service providers registered with the Commission, the office of the Ohio Consumers' Counsel, and all other interested persons of record.

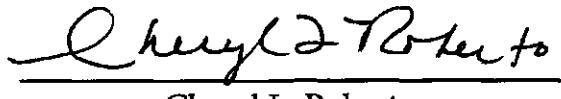
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella

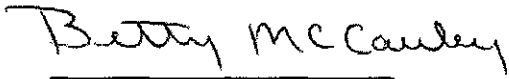

Steven D. Lesser


Andre T. Porter


Cheryl L. Roberto

JSA/dah

Entered in the Journal **JAN 18 2012**



Betty McCauley
Secretary