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September 8, 2011

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

Re: Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of  
Rural Carriers and the Pennsylvania Universal Service Fund,  
Docket No. I-00040105; Docket Nos. C-2009-2098380 et. al.

Dear Secretary Chiavetta:

Please find enclosed AT&T's Comments Concerning the Draft Staff Template, which was filed electronically today in the above-referenced matter.

Please contact me if you have any questions or concerns with this matter.

Very truly yours,



Michelle Painter

cc: Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of AT&T's Comments Concerning the Draft Staff Template upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (related to service by a participant) and 1.55 (related to service upon attorneys).

Dated at Fairfax, VA this 8th day of September 2011.

**VIA E-MAIL AND FIRST CLASS MAIL**

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Michelle Painter

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation Regarding Intrastate Access	)	
Charges and IntraLATA Toll Rates of	)	Docket No. I-00040105
Rural Carriers and the Pennsylvania	)	
Universal Service Fund	)	

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**AT&T'S COMMENTS CONCERNING THE DRAFT STAFF TEMPLATE**

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In accordance with the Commission's July 18, 2011 Opinion and Order in this matter, AT&T submits the following comments concerning the proposed template depicting the manner and format of the revenue neutral rate rebalancing calculations to be performed by the RLECs that was prepared by Staff and circulated by Secretarial Letter dated August 19, 2011.<sup>1</sup>

**I. The Template Must Be Clarified to Require the RLECs to Include All Intrastate Switched Access Rate Elements.**

Tab 3 of the draft template, labeled "Phase 1 reduction summary," identifies two broad categories of intrastate access rates that the RLEC is to populate. One is the Carrier Charge. The other is a category that is simply entitled "Traffic Sensitive Access Charge Rates." There is no explanation in the template as to what rates are included in this category. The Template thus must be clarified to ensure that the RLEC lists *all Switched Access Rate Elements*: specifically, all traffic-sensitive (TS), non-traffic-sensitive (NTS), recurring and non-recurring intrastate rates.

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<sup>1</sup> Pursuant to the July 18 Opinion and Order, these Comments are directed solely at issues concerning the draft template's compliance with the provisions of that Order. AT&T has raised issues concerning the substance of the Order itself in a Petition for Reconsideration that was filed on August 2, 2011.

This is critical to ensuring that all of the RLEC's intrastate access rate elements (other than the Carrier Charge) move to parity with their interstate counterparts. An example of this is reflected in the mirroring illustrations included as Attachment 1 Parts 1&2 to the March 10, 2010 AT&T Rebuttal Panel Testimony (AT&T Stmt. 1.2).

**II. The Template Should Be Clarified to Reflect the Initial Demand Period Specified in the Order.**

Annex C of the July 18 Opinion and Order states that:

Each of the RLECs shall calculate their required access charge reductions based on the most current data for access line counts and minutes of use available in each phase. Each RLEC shall use the most current data available as of December 31, 2010 for the first phase and the most recent calendar year-end data available for each subsequent phase.

Footnote 2 of Annex C further provides that “[T]he “mirroring” of the intrastate traffic sensitive intrastate carrier access rates shall be implemented based on the federal traffic sensitive access rates in effect as of December 31, 2010.”

The draft template, however, does not specify December 31, 2010 as the start date for the RLECs' calculations. Rather, it indicates that the RLEC should use “current” rates. Certainly, as AT&T has indicated in its Petition for Reconsideration, the final phase of the rebalancing required by the July 18 Opinion and Order should ensure that each RLEC's intrastate rates mirror its interstate rates, and that this mirroring continues after the completion of all rebalancing. Nevertheless, for purposes of starting the process in compliance with the July 18 Opinion and Order, the template should be modified to reflect the December 31, 2010 start date specified in the Order.

### **III. Additional Ministerial Matters.**

AT&T has identified several additional matters that should be clarified or corrected in the draft template.

First, the Staff should consider linking inputs in certain Tabs to other parts of the template spreadsheet that subsequently use these same inputs. For example, the access rate element names in Tab 3, “Phase 1 reduction summary” and Tab 6, “Summary of Rate Charges” could be linked back to Tab 5, “Rate Detail.” The list of exchanges, and current and proposed rates in Tab 6, could be linked back to those same inputs in Tab 5. Similarly, a note should be added to both Tab 4, “Revenue Neutrality Calculation” and Tab 6 noting that the data on the sheet is imported or calculated, and that the RLEC therefore should not input or override those calculations.

On Tab 5, the staff should clarify that the \$3.50 limit on the local rate increases only applies to R-1 residential local rates. It does not apply to B-1 business rates.

Finally, there appears to be an error in Cell D13 on Tab 7, “Summary of Revenue Impacts.” The formula for populating that cell is missing the revenue for “Miscellaneous Local Rate 4.” The formula should be corrected to add cells E67 and E68 from “Rate Detail,” Tab 5.

Respectfully submitted,

By: *Michelle Painter*

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DATED: September 8, 2011