

COMMONWEALTH OF PENNSYLVANIA



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August 9, 2011

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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

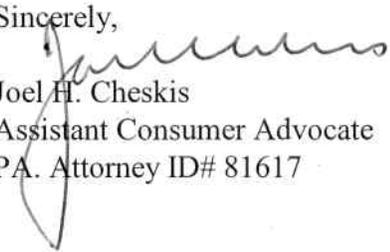
AT&T Communications of Pennsylvania,
LLC, *et al.* v. Armstrong Telephone
Company - Pennsylvania, *et al.*
Docket No. C-2009-2098380 *et al.*

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer to the Petitions for Reconsideration filed by the Pennsylvania Telephone Association and AT&T Communications of Pennsylvania, LLC, in the above-referenced proceeding.

Copies have been served upon all parties of record as shown on the enclosed Certificate of Service.

Sincerely,


Joel H. Cheskis
Assistant Consumer Advocate
PA. Attorney ID# 81617

Enclosures

cc: All parties of record
Hon. Kandace F. Melillo, ALJ
Hon. Susan D. Colwell, ALJ
Robert F. Powelson/Chairman
John F. Coleman, Jr./Vice Chairman
James H. Cawley/Commissioner
Wayne E. Gardner/Commissioner
Pamela A. Witmer/Commissioner
Cheryl Walker Davis/OSA 127089

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation Regarding Intrastate Access :	
Charges and IntraLATA Toll Rates of Rural Carriers, and the Pennsylvania Universal Service Fund :	Docket No. I-00040105
AT&T Communications of Pennsylvania, LLC, et al. v. Armstrong Telephone Company – Pennsylvania, et al. :	Docket Nos. C-2009-2098380, et al.

**ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE
TO THE PETITIONS FOR RECONSIDERATION FILED BY
THE PENNSYLVANIA TELEPHONE ASSOCIATION
AND AT&T COMMUNICATIONS OF PENNSYLVANIA, LLC**

Pursuant to Section 5.572(e) of the Pennsylvania Public Utility Commission (“Commission”) regulations, the Office of Consumer Advocate (“OCA”) hereby files this Answer to the Joint Petition for Limited Reconsideration and Stay filed by the Pennsylvania Telephone Association and The United Telephone Company of Pennsylvania, LLC d/b/a CenturyLink (“PTA Petition”) and to the Petition for Reconsideration and Clarification filed by AT&T Communications of Pennsylvania, LLC (“AT&T Petition”). Both Petitions were filed on August 2, 2011 in response to the Commission’s Opinion and Order entered at the above-captioned dockets on July 18, 2011. In response to the Petitions, the OCA submits as follows:

I. INTRODUCTION

On July 18, 2011, the Commission entered an Opinion and Order in the above-captioned access charge investigation and complaint proceedings. The Commission considered the Recommended Decisions of Administrative Law Judges Susan D. Colwell and Kandace F. Melillo and Exceptions filed thereto. The July 18, 2011 Order represented the latest chapter in a long history of addressing intrastate access charges by the Commission, as well as related issues pertaining to a benchmark for residential basic local exchange service and the Pennsylvania Universal Service Fund (“PA USF”). Access charges are those rates an interexchange carrier (“IXC”), or long distance company, pays an incumbent local exchange carrier (“ILEC”) to both originate and terminate toll calls on the local telephone network. The Commission determined, among other things, to reduce the rural ILECs’ intrastate access charge rates to their interstate levels and maintain a \$2.50 carrier charge. The Commission also determined to implement a \$23.00 benchmark for residential basic local exchange service, based on a total affordable residential monthly bill of \$32.00, and open a rulemaking proceeding to address any changes to the PA USF.

On August 2, 2011, the PTA filed its Petition advocating that the Commission should stay the implementation of the July 18, 2011 Order in light of a proposal to reform intercarrier compensation and the federal universal service fund filed by a group of ILECs with the Federal Communications Commission (“FCC”) on July 29, 2011. PTA Petition at 2. The PTA specifically requested that the Commission grant limited reconsideration and stay the implementation of the July 18, 2011 Order for no less than six months so as to retain jurisdiction and take any action deemed necessary or appropriate to coordinate with the FCC action. Id. The PTA stated that both the Commission’s July 18, 2011 Order and the FCC’s intercarrier

compensation proceeding involve the same intrastate and interstate switched access rates and impact the same rural consumers. Id. at 3. The PTA further averred that “coordination between federal and state reform activities through limited reconsideration and stay of the PA RLEC Access Order and any USF rulemaking order will enable the Commission to retain jurisdiction and to evaluate fully any final FCC action.” Id. at 4.

Also on August 2, 2011, AT&T filed its Petition advocating primarily that the Commission’s decision in the July 18, 2011 Order to create a \$2.50 carrier charge applicable to all rural ILECs is arbitrary and capricious, and not based on record evidence. AT&T Petition at 6-21. AT&T further seeks clarification of a number of issues including issues related to the implementation of the rate changes that the Commission ordered. Such issues include: 1) the time period for implementing changes to the carrier charge levels, 2) reducing the time period for implementing traffic sensitive access charge reductions, 3) clarifying that all parties must be included in the compliance phase and 4) requiring interstate and intrastate parity on an ongoing basis. Id. at 29.

While the OCA does not agree with all aspects of the July 18, 2011 Order, the OCA commends the Commission for its comprehensive Order that addresses a wide range of inter-related issues, including intercarrier compensation, universal service and a residential basic local exchange benchmark. As the Commission noted, the Order considers “the entirety of the access charge investigation and all of the thorny issues exhaustively litigated before ALJs Colwell and Melillo.” July 18, 2011 Order at 10. While the OCA does not agree with all of the substantive arguments raised in the PTA Petition and the AT&T Petition, at a minimum, the OCA agrees with both the PTA and AT&T that limited reconsideration should be granted. The OCA does not suggest that the Commission delay implementation of the July 18, 2011 Order until after the

FCC has taken a final action as such timeframe is unknown. The OCA submits, however, that consideration must be given to the impact of possible FCC actions before implementing the Commission's July 18, 2011 Order.

II. SUMMARY

While the OCA does not agree with all aspects of the Order, the Commission's July 18, 2011 Order appropriately finds that the responsibility to support the public switched telephone network ("PSTN") must be shared among all users of the network, not just supported by basic local exchange customers. In doing so, the Commission recognizes a benchmark rate of \$23.00 for residential basic local service and an overall total monthly affordable bill of \$32.00. The total affordable bill includes the basic local service charge, plus all taxes, fees and surcharges necessary to get basic local service, such as the federal Subscriber Line Charge ("SLC"). The Commission also maintains a \$2.50 carrier charge for companies that provide toll service on the network. The Commission and its staff should be commended for its comprehensive analysis of a multitude of complex yet interrelated issues.

All of these issues are also being addressed in an FCC proceeding.¹ While the OCA recognizes that this FCC proceeding has been open for many years, a recent proposal submitted to the FCC by a variety of ILECs was released on July 29, 2011 following the Commission's release of its July 18, 2011 Order. This proposal clearly raises issues that overlap with the July 18, 2011 Order and highlights the need to coordinate the Commission's July 18, 2011 Order with the FCC's consideration of the proposal. For example, one provision of the proposal includes an increase in the SLC to as high as nearly \$11.00. Adding an \$11.00 SLC to any rural ILEC basic

¹ See e.g., In the Matter of Developing A Unified Intercarrier Compensation Regime, CC Docket No. 01-92, FCC 05-33, Further Notice of Proposed Rulemaking (rel. March 3, 2005).

local service rate of \$23.00 would automatically create a total bill that is unaffordable according to the July 18, 2011 Order.² As such, it is appropriate that the Commission grant reconsideration of this proceeding to allow the Commission and the parties a preliminary analysis of the proposal submitted to the FCC to see how the proposal may impact the July 18, 2011 Order. The OCA submits that it is reasonable for the Commission to make this preliminary assessment before proceeding to implement its access rate changes in the July 18, 2011 Order.

The Commission should not, however, adopt AT&T's argument that the decision to maintain a \$2.50 carrier charge is arbitrary and capricious and not based on record evidence, and as such, must be reconsidered. The \$2.50 carrier charge helps ensure that all users of the PSTN contribute to the support of that network. Eliminating the \$2.50 carrier charge, as AT&T seeks, would improperly tip the delicate balance of support for the PSTN created by the Commission in its July 18, 2011 Order. The Commission should not reduce or eliminate AT&T's responsibility to support the PSTN. AT&T's argument seeking reconsideration of the \$2.50 carrier charge should be rejected.

III. ANSWER

1. Introduction.

The Commission's July 18, 2011 Order attempts to balance inter-related, yet often competing, policy issues dominating current telecommunications policy at both the state and federal levels. These issues, among others, include: 1) promoting competition for

² As OCA witness Roger Colton testified during the portion of the bi-furcated proceeding litigated before ALJ Colwell, consumers must pay the SLC, the E-911 charge, the federal Universal Service Charge and the TRS surcharge in order to obtain basic local exchange service. OCA Exh. RDC-4 (Colwell). Some rural ILECs also still maintain a separate touch tone charge or other charges that are required to be paid in order for a consumer to obtain basic local exchange service. Id.

telecommunications by establishing fair intercarrier compensation policies and 2) ensuring the universal provision of telecommunications service through the establishment of effective universal service funding mechanisms and benchmarks for residential basic local exchange service. As ALJ Melillo stated in her Recommended Decision addressed by the Commission:

The primary focus of this proceeding, as indicated in the Commission's December 2009 Order, and consistent with the AT&T Complaints' focus, is intrastate access charge reform. The challenge for the Commission is to issue a comprehensive ruling which appropriately balances the major considerations (access charges, local service rates and the PA USF), some of which were addressed in a separate limited proceeding before ALJ Colwell, in a manner which is consistent with the law, the evidence of record and good public policy.

Melillo R.D. at 17. As the Commission noted: "We now consider the entirety of the access charge investigation and all of the thorny issues exhaustively litigated before ALJs Colwell and Melillo." July 18, 2011 Order at 10.

While the OCA has some concerns about the July 18, 2011 Order, the OCA commends the Commission staff for its significant amount of efforts and resources expended to resolve these complicated inter-related matters. As the Commission stated:

This investigation presents issues the majority of which are policy matters set against legal backdrops. As noted above, in our prior Orders reopening the RLEC Access Charge Investigation, we summarized the relevant issues in each aspect of this investigation. ALJ Colwell and ALJ Melillo are to be commended for their management of a massive amount of information and their exhaustive and detailed consideration of the parties' arguments on the many legal and policy issues. Both ALJs presented well-reasoned and thoughtful recommendations for our consideration and ultimate resolution. The substantial effort undertaken by the ALJs has not only informed our decisions, but made our work here manageable and for this we are grateful.

Id. at 22. The OCA agrees.

Nonetheless, both the PTA and AT&T raise some issues in their respective Petitions that merit limited reconsideration or further review by the Commission. In particular, the FCC has recently determined to accept Comments on a proposal submitted by six large incumbent local exchange carriers on July 29, 2011.³ This proposal, referred to as the “ABC Plan,” presents to the FCC a proposed resolution of many of the same issues that the Commission recently addressed in the July 18, 2011 Order in Pennsylvania, including intercarrier compensation, universal service and establishing a benchmark rate for residential local exchange service. The overlap of issues raises concerns with the applicability or implementation of certain aspects of the July 18, 2011 Order given the possible outcomes of the FCC proceeding.

As such, the Commission should grant limited reconsideration and maintain jurisdiction over this matter.

2. Limited Reconsideration Should Be Granted To Consider Issues That Were Addressed In The July 18, 2011 Order That Were Raised In The Recent ABC Plan Filed With The FCC.

In their respective Petitions, both the PTA and AT&T raise issues that were recently addressed in the proposed ABC Plan. Since the ABC Plan was filed with the FCC on July 29, 2011, it was not possible for the Commission to consider its potential impact on the matters the Commission addressed in the July 18, 2011 Order. It is clear, however, that the ABC Plan does raise issues that could impact intrastate access rates, universal service and an affordable residential basic local exchange benchmark, the very issues that the Commission addressed in the July 18, 2011 Order. The Commission should grant limited reconsideration to review these potential impacts.

³ The “America’s Broadband Connectivity Plan,” or “ABC Plan,” was submitted to the FCC by AT&T, Verizon, CenturyLink, FairPoint, Frontier and Windstream. See, PTA Petition at 2. The ABC Plan was subsequently supported, in part, by a conglomeration of rural carrier associations. Id.

In the July 18, 2011 Order, the Commission established a residential benchmark rate of \$23 for basic local exchange service. July 18, 2011 Order at 157. In doing so, the Commission recognized that the \$23.00 rate is exclusive of federal and state taxes and fees, including the SLC, such that the total affordable bill for a residential customer is \$32.00 per month. Id. Other line items on the residential basic local service bill that must be paid in order to obtain basic local service include the SLC, the Telecommunications Relay Surcharge (TRS), 911 fees, the federal universal service charge and taxes. In the ABC Plan, however, it is proposed that the SLC may be increased from its current rate to nearly \$11.00. *See, PTA Petition* at 8.⁴ The ABC Plan caps the total price cap carrier bill at \$30.00.⁵ If the FCC adopts that portion of the ABC Plan, Pennsylvania rural ILECs that set the basic local service rate at the \$23.00 benchmark established by the Commission in the July 18, 2011 Order would automatically see their customer's bills exceed the \$32.00 affordable level once the \$11.00 SLC is established (i.e., \$23.00 plus \$11.00 equals \$34.00). The affordable level would be exceeded without even considering the TRS surcharge, 911 fees, the federal universal service charge and taxes. As such, the PTA is correct that the Commission should reconsider its July 18, 2011 Order in light of the recent ABC Plan filed with the Commission.

In addition, AT&T argues in its Petition that the Commission should require the rural ILECs to maintain parity between intrastate and interstate rates on a going forward basis. AT&T Petition at 28-29. The Commission should further examine what changes the FCC may make to interstate access rates under the ABC Plan if AT&T is advocating that parity must be maintained

⁴ The current SLC for the rural ILEC companies is \$6.50 except for Embarq. Embarq's SLC is \$4.86. *See, OCA Exh. RDC-4* (Colwell).

⁵ For purposes of FCC regulation, Pennsylvania rural carriers CenturyLink, Frontier and Windstream are price cap carriers. All other rural carriers are rate of return carriers. In their letter of support for the ABC Plan, the rural ILEC organizations cap the total rate of return carrier bill at \$25.00.

on a going-forward basis. The ABC Plan raises issues regarding the implementation of the July 18, 2011 Order pertaining to the issue of parity that the Commission should address in this proceeding.

As such, the OCA submits that both the PTA and AT&T have raised issues that warrant the Commission maintaining jurisdiction over this proceeding so that it can consider the implications of the ABC Plan.

3. The PTA Correctly Argues In Its Petition That The Commission Should Grant Limited Reconsideration In This Proceeding To Review The “ABC Plan” And Take Any Action Deemed Necessary Or Appropriate As It May Apply To The Issues Addressed In The July 18, 2011 Order.

While the multi-page ABC Plan, with numerous attachments, was only recently filed with the FCC, and the exact details and recommendations, as well as their implications, are still being digested, it is clear from a review of all preliminary accounts that the issues addressed in that plan directly relate to the issues addressed by the Commission in the July 18, 2011 Order. In its Petition, the PTA provides numerous examples of areas where the July 18, 2011 Order and the ABC Plan overlap. The Commission should consider such an overlap.

Under the ABC Plan, intrastate access rates for all price cap carriers will be phased down to a uniform rate of \$0.0007, with the phase down beginning July 1, 2012. Funding from two new universal service programs, the Connect America Fund and the Advanced Mobility/Satellite Fund, will begin disbursement on July 1, 2012 as well. As the PTA demonstrates, “there is substantial likelihood that Pennsylvania RLECs will be prejudiced by reducing the money available from new federal restructuring if the Commission were to forge ahead and not stay the PA RLEC Access Order.” PTA Petition at 7. Also under the ABC Plan, there will be measured increases to the SLC by as much as \$3.75 and a local rate benchmark for rate of return companies of \$25.00. As the PTA demonstrates in its Petition, “under the ABC Plan, any SLC

increase may cause the sum of the local residential rate, federal SLC, state SLC, mandatory EAS and per-line state USF contribution to exceed a benchmark of \$30 per month.” Id. at 8-9.

These proposals directly implicate the determinations made by the Commission in the recent July 18, 2011 Order that established a residential benchmark for basic local exchange service of \$23.00 and an overall total bill affordability level of \$32.00. The Commission should consider the specifics of the ABC Plan in light of the July 18, 2011 Order to determine whether it has set a just and reasonable basic local exchange service benchmark given the potential outcomes of the FCC proceeding. The PTA avers that:

While it is impossible to predict specific outcomes to be taken by the FCC, it is clear that the FCC is likely to regard the ABC Plan as a baseline for a decision to implement ICC/USF reform. The interests of Pennsylvania consumers would be best positioned by the Commission granting a limited stay of the PA RLEC Access Order and any USF rulemaking *before* the process outlined above starts.

Id. at 10 (emphasis in original). The OCA agrees that this Commission should consider the impact of the ABC Plan on the July 18, 2011 Order.

At a minimum, the Commission should reconsider the July 18, 2011 Order to determine what impact, if any, an FCC decision on the ABC Plan could have on the decisions of the Commission. The OCA does not suggest that the Commission delay the implementation of the July 18, 2011 Order until the FCC has implemented any action on the ABC Plan, and any subsequent appellate activity is resolved. Rather, the parties and the Commission should be given an opportunity to understand the details of the ABC Plan to determine whether any modifications to the July 18, 2011 Order may be appropriate at this time. This is especially true

given the substantial overlap of issues between the July 18, 2011 Order and the ABC Plan, including many issues that appear, at first glance, to be contradictory.⁶

Failure to consider the impact of the ABC Plan on the July 18, 2011 Order may, as the PTA notes, “draw into consideration the Commission’s obligation to ensure that any rate changes in the PA RLEC Access Order are just and reasonable.” Id. at 11. Implementing the July 18, 2011 Order without an understanding of the impact of the ABC Plan may harm consumers with cumulative effects of multiple, end user retail rate increases. This is especially true given the Commission’s establishment of a total bill affordability level of \$32.00 in the July 18, 2011 Order.

As such, the PTA’s Petition should be granted to allow the Commission to consider the impact the ABC Plan before the FCC may have on its July 18, 2011 Order, especially considering the potential increase to the SLC and the impact that any such increases may have on the new \$23.00 residential benchmark rate in light of the \$32.00 total bill affordability level established by the Commission.

4. The Commission Should Not Reconsider Its Decision To Create A \$2.50 Carrier Charge To Ensure The Proper Balance Among Users Of The Public Switched Telephone Network To Contribute To Support That Network.

In its Petition, AT&T raises several issues which it believes the Commission should reconsider or clarify. Most significantly, the main thrust of AT&T’s Petition seeks the elimination of the \$2.50 carrier charge that is applicable to all rural ILECs. AT&T argues that the Commission’s decision to maintain a \$2.50 carrier charge for all rural ILECs is arbitrary and

⁶ The FCC has established a schedule to review the ABC Plan requiring Comments to be filed on August 24, 2011 and Reply Comments to be filed on August 31, 2011. Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding, WC Docket No. 10-90, DA 11-1348 (rel. Aug. 3, 2011). The Notice is especially relevant to this proceeding in that it asks for comments regarding a \$25.00 rate cap for rate of return carriers and a \$30.00 rate cap for price cap carriers. The rate cap would include the federal SLC, the local rate, any state SLC, mandatory extended area service charges and per-line payments to a state universal service fund.

capricious and not supported by record evidence. AT&T made similar arguments before the Commission which properly rejected it. The OCA submits that the Commission's decision to maintain a \$2.50 carrier charge as part of this multi-faceted proceeding properly maintains the appropriate balance among all users of the PSTN to support that network. The Commission's decision, therefore, should be maintained.

AT&T relies in large part on the OCA's willingness in this proceeding to accept the elimination of the carrier charge. AT&T Petition at 9-11. As Dr. Loube noted in testimony, the OCA previously maintained that the carrier charge was a fair way to ensure that the PSTN was properly supported. OCA St. 1 (Melillo) at 11. But the OCA agreed as part of this proceeding to eliminate the carrier charge *if* the Commission adopted a four-part comprehensive proposal that was designed to address the multiple issues of intercarrier compensation reform, universal service and a residential basic local exchange rate. Id. at 10. In its Petition, however, AT&T selectively uses the OCA's position regarding the elimination of the carrier charge by disregarding the fact that such position was contingent upon the adoption of *all* parts of the OCA's comprehensive proposal.

Initially, OCA witness Dr. Loube noted in his testimony that the first best solution to access reform is to equate all intercarrier compensation rates, both interstate and intrastate, access charge and reciprocal compensation, and so on, to the average of all of those existing rates. Id. at 7-9. Dr. Loube added, however, that it is not possible for the Pennsylvania Commission to unilaterally establish the first best solution because of the dual jurisdiction between the FCC and the Commission. Id. As such, through the testimony of Dr. Loube, the OCA presented a comprehensive four-part proposal that included:

1. rural ILEC intrastate access rates should be set equal to their respective interstate rates, including the elimination of the carrier common line charge;
2. rural ILEC residential basic local exchange rates that are below 120 percent of the Verizon Pennsylvania weighted average residential basic local exchange service rate should be increased to that level, subject to an affordability constraint, while rural ILEC rates that are above 120 percent of the Verizon weighted average rate remain at their current levels;
3. any remaining revenue required to offset the revenue decrease associated with access rate reductions should be recovered from the Pennsylvania Universal Service Fund; and
4. the revenue base of the Pennsylvania Universal Service Fund should be enlarged to include any service provider that uses the public switched telecommunications network at any point in providing their service.

Id. at 76. As can be seen, elimination of the carrier charge was only one component of a detailed plan designed to provide reasonable, comparable and affordable rates for rural customers. It cannot be viewed in isolation as AT&T seeks to do.

AT&T's selective use of the OCA testimony in this proceeding is misguided and should be rejected. AT&T ignores the balance that was struck by the OCA proposal and the balance that the Commission created in its July 18, 2011 Order by including the maintenance of a \$2.50 carrier charge. As the Commission stated: "this Commission has a long-established policy that permits the recovery of such costs from *all* users of such joint and common telecommunications plant and facilities, and not by end-users of regulated telecommunications services alone." July 18, 2011 Order at 12. Pursuant to the entire OCA proposal, if the carrier charge were to be eliminated in its entirety, the size of the PA USF should be modified so that any revenue neutral cost recovery would not jeopardize universal service. Yet, in its Petition, AT&T wants the elimination of the carrier charge in its entirety without any further sharing of the burden to

support the PSTN beyond further increases to basic local service rates. This issue has been thoroughly considered by the Commission in this proceeding and AT&T's position has been rejected.

The Commission should reject AT&T's argument that the Commission's decision to maintain a \$2.50 carrier charge is unsupported by record evidence because "there was not one single mention in the record of \$2.50 as the proper rate for any RLEC's carrier charge." AT&T Petition at 4. The issue of the proper level of the rural ILECs' carrier charge was the topic of significant discussion and record evidence in this proceeding. While no party specifically mentioned the exact level of \$2.50 for the carrier charge, a wide range of levels from \$0 to \$17.99 for the carrier charge was advocated by various parties in this proceeding. As a result, it was reasonable for the Commission to properly consider the various positions of the parties and determine, based on record evidence, that \$2.50 is the appropriate level for the carrier charge.

Finally, the Commission should reject AT&T's other arguments. For example, AT&T argues that the carrier charge is a "subsidy" and that the rural ILECs' access rates are "**substantially** above-cost, in fact, many times above cost." AT&T Petition at 14-15 (emphasis in original); *see also*, Id. at 19. Yet, these arguments are merely repetitions of arguments that AT&T made to the Commission previously. As the OCA demonstrated, there is no record evidence to support that such a subsidy exists.

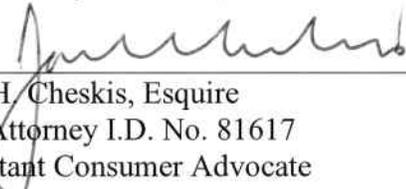
As such, AT&T's arguments regarding the \$2.50 carrier charge should be denied. AT&T is attempting to selectively eliminate one element of a proposal that otherwise balances many competing and inter-related interests. The company merely reiterates the same arguments it made in the proceeding below that the Commission considered and rejected in the July 18, 2011

Order. The Commission should reject such arguments again. AT&T's argument that the \$2.50 carrier charge cannot be adopted because it is not based on record evidence is without merit.⁷

IV. CONCLUSION

WHEREFORE, the Pennsylvania Office of Consumer Advocate respectfully requests that the Public Utility Commission consider this Answer to the Joint Petition for Limited Reconsideration and Stay filed by the Pennsylvania Telephone Association and The United Telephone Company of Pennsylvania, LLC d/b/a CenturyLink and to the Petition for Reconsideration and Clarification filed by AT&T Communications of Pennsylvania, LLC. The OCA submits that the Commission should grant limited reconsideration regarding the impact of the "ABC Plan" submitted to the Federal Communications Commission shortly after the release of the Commission's July 18, 2011 Order. The Commission should deny, however, AT&T's arguments regarding the \$2.50 carrier charge.

Respectfully submitted,



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For: Irwin A. Popowsky
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Dated: August 9, 2011

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⁷ The OCA does support AT&T's argument that the Order must be clarified to ensure that all parties to the proceeding are included in the compliance phase of this proceeding. AT&T Petition at 26-28. This is especially important given the complicated nature of the July 18, 2011 Order.

CERTIFICATE OF SERVICE

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

AT&T Communications of Pennsylvania, LLC, *et al.* v. Armstrong Telephone Company – Pennsylvania, *et al.*
Docket No. C-2009-2098380, *et al.*

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer to the Petitions for Reconsideration Filed by the Pennsylvania Telephone Association and AT&T Communications of Pennsylvania, LLC, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9th day of August 2011.

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