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September 20, 2011

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd 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 Reply 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 Reply 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 20th day of September 2011.

VIA E-MAIL AND FIRST CLASS MAIL

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Michelle Painter

**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)	

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

In accordance with the Commission's July 18, 2011 Opinion and Order in this matter, AT&T replies to the comments concerning the Staff's proposed template that were submitted on September 12, 2011 by the Pennsylvania Telephone Association ("PTA Comments") and by CenturyLink ("CTL Comments").

I. TAB 2 "PHASE 1 REDUCTION SUMMARY"¹

Both CenturyLink (CTL Comments at 2) and PTA (PTA Comments at 3) suggest that they will not be completing the Phase 2 and 3 boxes included in this Tab in their Phase 1 submission. For example, PTA indicates its "understand[ing]" that its member companies are to complete information only for Phase 1. The Commission thus should clarify that all RLECs must complete **all** information requested in this tab -- including Phase 2 and Phase 3 access rate information -- in this initial phase of reductions, as well as in each subsequent phase.

¹ In its initial comments, AT&T counted "Template Intro" as Tab 1. However, in their comments, CenturyLink and PTA counted "Statement of Income" as Tab 1. For the sake of consistency, AT&T is using CenturyLink's and PTA's numbering scheme in these reply comments.

AT&T disagrees that the inclusion of this information at this time is unnecessary. To the contrary, requiring that companies provide this information at each step of the process will provide the Commission with a basis for monitoring the RLECs' progress over the entire period prescribed by the July 18 Order toward the end state required by that decision – i.e. the mirroring of traffic sensitive intrastate and interstate access rates, and the achievement of a \$2.50 Carrier Charge.

Contrary to the suggestion in the PTA's comments, completing this tab is a straightforward process. The RLECs know their intrastate and interstate access rates as of December 31, 2010, and that is all the information that is necessary to determine the difference between these access rates and then to calculate the percentage reductions required in each of the three phases. Footnote 2 of Annex C provides that “[T]he “mirroring” of the intrastate traffic sensitive carrier access rates shall be implemented based on the federal traffic sensitive access rates in effect **as of December 31, 2010.**”² (emphasis added). Similarly, as Staff has shown in the proposed template in Tab 2, RLECs can easily calculate the necessary rate changes to the Carrier Charge at each phase to end at a \$2.50 rate at Phase 3. Thus, no prediction of future interstate access rates is necessary, and intrastate access rates are known. The PTA's reference to the use of “then current end of year data” refers to line counts and minutes of use data which are used to calculate access revenue reductions and rebalancing calculations -- none of which are required or calculated in this tab. These data do come into play in the “Rate Detail” Tab 4, but this tab does not require Phase 2 or Phase 3 data or calculations at the time of Phase 1 implementation.

² AT&T has indicated in its Petition for Reconsideration that 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.

II. TAB 3 “REVENUE NEUTRALITY CALCULATION”

AT&T agrees with PTA’s proposal that, “[I]n addition to the R-1, B-1 and other “noncompetitive local rate increases” identified in rows 9 through 14, that the RLECs also include lines identifying other noncompetitive rate elements that might be increased.”³

III. TAB 4 “RATE DETAIL”

The PTA opposes having to provide demand units for every affected exchange and instead argues demand is only needed by rate band, not exchange. *PTA Comments at 4*. However, given that the purpose of the template is to show tariff changes proposed for local rate rebalancing, all local rates in the tariff need to be listed along with the exchange or exchanges applicable to each local rate in the tariff. Thus, if two exchanges only list a single rate in the tariff, then these two exchanges could be grouped or banded as PTA suggests. But if two exchanges each have their own rate listed in the tariff, even if the rates were the same amount, they should not be grouped together and instead must be listed as they are in the tariff, with their own individual demand units and rates.⁴

³ PTA Comments at.4.

⁴ AT&T has no objection to PTA’s proposal to separate the columns “Proposed Rate” and “Proposed Revenue” into three columns, as described in PTA’s Comments at 5.

AT&T requests that the Commission move forward with implementing the intrastate access reform pursuant to the Commission's July 18, 2011 Order in accordance with AT&T's Comments and Reply Comments on the staff's draft template. In addition, AT&T respectfully requests that the Commission require the RLECs to copy AT&T on any and all future compliance filings, as no party has objected to including AT&T in the compliance phase.

Respectfully submitted,

By: 

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