

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 26, 2011

Ms. Karen Majcher
Vice President, High Cost & Low Income
Universal Service Administrative Company
2000 L. Street N.W. – Suite 200
Washington D.C. 20036

Subject: State Certification That Basic Service Rates In Rural, High-Cost Areas Served
By Non-Rural Carriers Are Reasonably Comparable To The National Urban
Rate Benchmark.

Dear Ms. Majcher:

This letter is sent as certification that rural rates for services provided by the non-rural carriers in Tennessee are reasonably comparable to the nationwide benchmark urban rate.

In October 2003, the Federal Communications Commission modified the high cost universal service support mechanism for non-rural carriers.¹ One of the modifications was that the certification process was expanded by requiring each state to provide information to the Commission regarding the comparability of the rates in rural areas served by non-rural carriers within the state to urban rates nationwide. To ensure comparability of the rural rates, the Commission established a “safe harbor” bench mark national urban rate² and determined that other relevant factors, such as poor service quality or limited calling areas, should also be considered.³

Pursuant to the Commission’s direction, the Tennessee Regulatory Authority (“Authority”) has reviewed the residential rates charged by the non-rural carrier in rural areas and found them to be below the “safe harbor” benchmark established by the Commission. In addition, the Authority has considered other relevant factors of service quality and the calling scopes associated with rates, and determined that the rate comparability is not limited by these factors.

¹ *In the Matter of Federal-State Joint Board on Universal Service, Order on Remand, Further Notice of Proposed Rulemaking and Memorandum Opinion and Order*, FCC 03-249 (October 27, 2003).

² *Id.*, ¶ 81.

³ *Id.*, ¶ 90.

Accordingly, the Tennessee Regulatory Authority certifies that non-rural carrier rates for residential service in Tennessee's rural areas are reasonably comparable to the national urban rate benchmark.

This filing is made pursuant to CC Docket 96-45.

Sincerely,

		
Kenneth Hill	Sara Kyle	Mary Freeman
Director	Director	Director