



Joelle Phillips
General Attorney - TN

AT&T Tennessee
333 Commerce Street
Suite 2101
Nashville, TN 37201-1800

T: 615.214.6311
F: 615.214.7406
jp3881@att.com

September 18, 2012

VIA HAND DELIVERY

Hon. Kenneth C. Hill, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: Interstate Access Support Funding Docket No. 12-00074

Dear Chairman Hill:

This letter is to request that the Tennessee Regulatory Authority ("TRA") include BellSouth Telecommunications, LLC d/b/a AT&T Tennessee ("AT&T Tennessee") in its letter to the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") certifying that the high-cost recipients in its state are in compliance with Section 254(e) of the Telecommunications Act. *See* 47 C.F.R. § 54.314(a) (attached).

The amount of federal high-cost support AT&T Tennessee will receive in 2013 will be used for the services and functionalities outlined in 47 C.F.R. §54.101(a) and, as the attached affidavit shows, AT&T Tennessee certifies that it has used and will continue to use the federal high-cost support it receives only for the provision, maintenance and upgrading of facilities and service for which such support is intended.

Until the FCC issued its USF/ICC Transformation Order (17 FCC Rcd 17663) in November 2011, AT&T Tennessee submitted certifications directly to the FCC, and not to the TRA, because it only received Interstate Access Support (IAS). In its November 2011 Order, however, the FCC eliminated IAS as a stand-alone support mechanism and with it, eliminated the need for carriers to file IAS certifications. *See FCC Order* at para. 614 (attached).

At the same time, the FCC expanded the state certification requirements to require state Commissions to include even carriers that only receive IAS support, which the FCC now calls "frozen high-cost support," in their annual certifications to the FCC. *See* 47 C.F.R. § 54.314(a). Accordingly, if the TRA does not file a letter with the FCC and USAC by October 1, 2012 certifying that AT&T Tennessee has spent its high-cost support in 2011 and will

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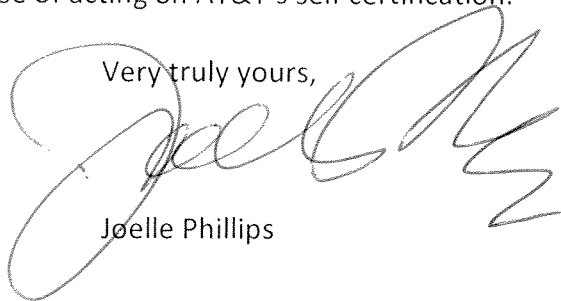
Hon. Kenneth C. Hill
September 18, 2012
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spend its high-cost support in 2013 in compliance with Section 254(e) of the Act, AT&T Tennessee will not be eligible for support in the first quarter of 2013. See 47 C.F.R. § 54.314(d).

AT&T Tennessee, therefore, respectfully requests that the TRA accept this letter and the attached affidavit as self-certification that AT&T Tennessee is in compliance with 47 U.S.C. § 254(e) and include AT&T Tennessee in the TRA's annual certification letter to the FCC and USAC due October 1, 2012.

As a result of the schedule for TRA conferences in September and this change in process at the FCC, AT&T Tennessee was not able to provide this self certification in time for it to be added to a TRA conference agenda prior to October 1, 2012. AT&T Tennessee does not believe that the TRA is required to act on this request during a regular conference, and AT&T Tennessee respectfully requests that the TRA issue the letter as outlined above before the October 1 deadline in order not to preclude AT&T Tennessee from receiving the support it is qualified to receive and that it has received for years. If necessary, of course, the TRA could ratify this action by vote at the next conference agenda or schedule a telephonic conference for the purpose of acting on AT&T's self certification.

Very truly yours,

A large, stylized handwritten signature in black ink, appearing to read 'Joelle Phillips', is written over the typed name.

Joelle Phillips

AFFIDAVIT OF GREGG F. MORTON
PRESIDENT, AT&T TENNESSEE

1. My name is Gregg F. Morton. I am President, AT&T Tennessee, and am authorized to give this Affidavit. This Affidavit is being given to support the Tennessee Regulatory Authority's ("TRA") certification as required by 47 CFR 54.314.

2. Until the FCC's November 2011 USF/ICC Transformation Order (17 FCC Rcd 17663) ("FCC Order"), AT&T Tennessee submitted certifications directly to the FCC as it only received Interstate Access Support ("IAS"). As part of the FCC Order, the FCC eliminated IAS as a stand-alone support mechanism and with it, eliminated the need for carriers to file IAS certifications. See *FCC Order* at para. 614. As a result, and in order for the TRA to certify AT&T Tennessee's continued eligibility for high-cost support in 2013, AT&T Tennessee provides the following certification:

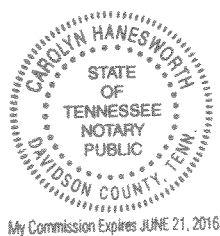
Consistent with section 254(e) of the Communications Act of 1934, as amended, AT&T Tennessee used in the preceding year and will use in the upcoming year all of its frozen high-cost support (i.e., legacy Interstate Access Support) only for the provisioning, maintenance, and upgrading of facilities and services for which the support is intended.



Gregg F. Morton
President, AT&T Tennessee

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Sworn to and subscribed before me, this 18th day of September, 2012





Notary Public

and upgrading of facilities and services for which support is intended. The affidavit must be filed with both the Office of the Secretary of the Commission clearly referencing CC Docket No. 96-45, and with the Administrator of the high-cost universal service support mechanism, on or before the deadlines set forth in paragraph (d) of this section. All affidavits filed pursuant to this section shall become part of the public record maintained by the Commission.

(d) *Filing deadlines.* In order for a non-rural incumbent local exchange carrier in a particular State, and/or an eligible telecommunications carrier serving lines in the service area of a non-rural incumbent local exchange carrier, to receive federal high-cost support, the State must file an annual certification, as described in paragraph (c) of this section, with both the Administrator and the Commission. Support shall be provided in accordance with the following schedule:

(1) [Reserved]

(2) [Reserved]

(3) *Subsequent program years (January 1–December 31).* During the program years subsequent to the second program year (January 1, 2001–December 31, 2001), a carrier in a particular State shall not receive support pursuant to § 54.309 or § 54.311 until such time as the State files the certification described in this section. Upon the filing of the certification described in this section, support shall be provided pursuant to the following schedule:

(i) *Certifications filed on or before October 1.* Carriers subject to certifications filed on or before October 1 shall receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in the first, second, third, and fourth quarters of the succeeding year.

(ii) *Certifications filed on or before January 1.* Carriers subject to certifications filed on or before January 1 shall receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in the second, third, and fourth quarters of that year. Such carriers shall not receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in the first quarter of that year.

(iii) *Certifications filed on or before April 1.* Carriers subject to certifi-

cations filed on or before April 1 shall receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in the third and fourth quarters of that year. Such carriers shall not receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in the first or second quarters of that year.

(iv) *Certifications filed on or before July 1.* Carriers subject to certifications filed on or before July 1 shall receive support pursuant to § 54.309 or § 54.311, whichever is applicable, beginning in the fourth quarter of that year. Such carriers shall not receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in the first, second, or third quarters of that year.

(v) *Certifications filed after July 1.* Carriers subject to certifications filed after July 1 shall not receive support pursuant to § 54.309 or § 54.311, whichever is applicable, in that year.

(vi) *Newly designated eligible telecommunications carriers.* Notwithstanding the deadlines in paragraph (d) of this section, a carrier shall be eligible to receive support pursuant to § 54.309 or § 54.311, whichever is applicable, as of the effective date of its designation as an eligible telecommunications carrier under section 214(e)(2) or (e)(6), provided that it files the certification described in paragraph (b) of this section or the state commission files the certification described in paragraph (a) of this section within 60 days of the effective date of the carrier's designation as an eligible telecommunications carrier. Thereafter, the certification required by paragraphs (a) or (b) of this section must be submitted pursuant to the schedule in paragraph (d) of this section.

[64 FR 67432, Dec. 1, 1999, as amended at 64 FR 73428, Dec. 30, 1999; 66 FR 30088, June 5, 2001; 67 FR 13094, Mar. 21, 2002; 70 FR 29979, May 25, 2005; 71 FR 65750, Nov. 9, 2006]

§ 54.314 State certification of support for rural carriers.

(a) *State certification.* States that desire rural incumbent local exchange carriers and/or eligible telecommunications carriers serving lines in the service area of a rural incumbent local exchange carrier within their jurisdiction to receive support pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part

36, subpart F of this chapter must file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Support provided pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter shall only be provided to the extent that the State has filed the requisite certification pursuant to this section.

(b) *Carriers not subject to State jurisdiction.* A rural incumbent local exchange carrier not subject to the jurisdiction of a state or an eligible telecommunications carrier not subject to the jurisdiction of a state serving lines in the service area of a rural incumbent local exchange carrier that desires to receive support pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter shall file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Support provided pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter shall only be provided to the extent that the carrier has filed the requisite certification pursuant to this section.

(c) *Certification format.* A certification pursuant to this section may be filed in the form of a letter from the appropriate regulatory authority for the State, and shall be filed with both the Office of the Secretary of the Commission clearly referencing CC Docket No. 96-45, and with the Administrator of the high-cost universal service support mechanism, on or before the deadlines set forth in paragraph (d) of this section. If provided by the appropriate regulatory authority for the state, the annual certification must identify which carriers in the State are eligible to receive federal support during the applicable 12-month period, and must certify that those carriers will only use support for the provision, maintenance, and upgrading of facilities and services for which support is intended. A State may file a supplemental certification

for carriers not subject to the State's annual certification. All certificates filed by a State pursuant to this section shall become part of the public record maintained by the Commission. Rural incumbent local exchange carriers not subject to the jurisdiction of a state or eligible telecommunications carriers not subject to the jurisdiction of a state serving lines in the service area of a rural incumbent local exchange carrier, shall file a sworn affidavit executed by a corporate officer attesting to the use of the support for the provision, maintenance, and upgrading of facilities and services for which support is intended. The affidavit must be filed with both the Office of the Secretary of the Commission clearly referencing CC Docket No. 96-45, and with the Administrator of the high-cost universal service support mechanism, on or before the deadlines set forth in paragraph (d) of this section. All affidavits filed pursuant to this section shall become part of the public record maintained by the Commission.

(d) *Filing deadlines.* Upon the filing of the certification described in paragraph (c) of this section, support shall be provided pursuant to the following schedule:

(1) *Certifications filed on or before October 1.* Carriers for which certifications are filed on or before October 1 shall receive support pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter, in the first, second, third, and fourth quarters of the succeeding year.

(2) *Certifications filed on or before January 1.* Carriers for which certifications are filed on or before January 1 shall receive support pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter, in the second, third, and fourth quarters of that year. Such carriers shall not receive support pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter in the first quarter of that year.

(3) *Certifications filed on or before April 1.* Carriers for which certifications are filed on or before April 1 shall receive support pursuant to §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter, in the third and fourth

Before the
Federal Communications Commission
Washington, D.C. 20554

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FCC Mail Room

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Developing an Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208

REPORT AND ORDER AND FURTHER NOTICE OF PROPOSED RULEMAKING

Adopted: October 27, 2011

Released: November 18, 2011

Comment Date on Sections XVII.A-K: January 18, 2012

Reply Comment Date on Sections XVII.A-K: February 17, 2012

Comment Date on Sections XVII.L-R: February 24, 2012

Reply Comment Date on Sections XVII.L-R: March 30, 2012

By the Commission: Chairman Genachowski and Commissioners Copps and Clyburn issuing separate statements; Commissioner McDowell approving in part, concurring in part and issuing a statement.

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614. Finally, we also eliminate carriers' separate certification requirements for IAS and ICLS. As discussed above, we are eliminating IAS as a standalone support mechanism, and this obviates the need for IAS-specific certifications.¹⁰⁰² Although ICLS will remain in place for some carriers, those carriers will certify compliance through new section 54.314. However, to ensure there is no gap in coverage, those carriers will file a final certification under section 54.904 due June 30, 2012, covering the 2012-13 program year. Thus, by this Order, we eliminate section 54.809 and, effective July 2013, section 54.904 of our rules.¹⁰⁰³ And as discussed in section VII.C.1. above, we also eliminate section 54.316 of our rules, relating to rate comparability.¹⁰⁰⁴

B. Consequences for Non-Compliance with Program Rules

615. *Background.* In the *USF/ICC Transformation NPRM*, we sought comment on proposed consequences for a Fund recipient's failure to fulfill its public interest obligations.¹⁰⁰⁵ We also sought comment on whether we should reduce or suspend universal support payments for non-compliance with the various reporting requirements.¹⁰⁰⁶ Under our existing rules, companies lose support if the state (or the ETC, in the case of federally designated ETCs) fails to file the required certifications or information, such as the annual reports required by current section 54.209.¹⁰⁰⁷

616. *Discussion.* Effective enforcement is necessary to ensure that the reforms we make in this Order achieve their intended goal.¹⁰⁰⁸ Our existing rules already have self-effectuating mechanisms to incent prompt filing of requisite certifications and information necessary to calculate support amounts, as companies lose support to the extent such information is not provided in a timely fashion.¹⁰⁰⁹ While we need such information to ensure that support is being used for the intended purposes, consistent with section 254(e) of the Act, we also need to ensure that such certifications, which will be based upon the certifications and information provided in the new section 54.313 annual reports, adequately address all areas of material non-compliance with program obligations.

617. We believe that in the majority of cases involving repeated failures to timely file certifications or data, the Commission's existing enforcement procedures and penalties will adequately deter noncompliance with the Commission's rules, as herein amended, regarding high-cost and CAF

¹⁰⁰² See Section VII.C.1. above.

¹⁰⁰³ Sections 54.809 and 54.904 require carriers receiving IAS and ICLS support, respectively, to file a certification stating that all such support "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." 47 C.F.R. §§ 54.809 and 54.904.

¹⁰⁰⁴ Section 54.316 requires that states certify as to rate comparability for areas served by non-rural carriers. 47 C.F.R. § 54.316.

¹⁰⁰⁵ *USF/ICC Transformation NPRM* at ¶ 153.

¹⁰⁰⁶ *USF/ICC Transformation NPRM* at ¶ 466.

¹⁰⁰⁷ 47 C.F.R. § 54.209(b).

¹⁰⁰⁸ See Greenlining *USF/ICC Transformation NPRM* Comments at 9. We received almost no comments on this issue. Those we did receive were largely conclusory and provided no specifics as to appropriate penalties or remedies. See, e.g., CWA *USF/ICC Transformation NPRM* Comments at 20; Greenlining *USF/ICC Transformation NPRM* Comments at 10.

¹⁰⁰⁹ Under current rules, certifications are due by October. If a carrier files late, but on or before January 1, the carrier will receive support for Q2, Q3 and Q4. If a carrier files late, but on or before April 1, the carrier will receive support for Q3 and Q4. If the carrier files late, but on or before July 1, the carrier will receive support for Q4. If a carrier files after July 1, the carrier will not receive any support for that year. See 47 C.F.R. §§ 54.209(b), 54.313(d), 54.314(d).