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

In the Matter of	)	
July 1, 2009 Annual Access Charge Tariff Filings	)	WCP/Pricing 09-02
ICORE Tariff F.C.C. No. 2 Northwest Iowa Telephone Company	)	Transmittal No. 91
Geneseo Communications, Inc. Tariff F.C.C. No. 1	)	Transmittal No. 13
Union Telephone Company Tariff F.C.C. No. 2	)	Transmittal No. 78

PETITION OF AT&T CORP. TO SUSPEND AND INVESTIGATE

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TABLE OF CONTENTS

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July 1, 2009 Annual Access Charge Tariff Filings	WCP/Pricing 09-02
ICORE Tariff F.C.C. No. 2 Northwest Iowa Telephone Company	Transmittal No. 91
Geneseo Communications, Inc. Tariff F.C.C. No. 1	Transmittal No. 13
Verizon Telephone Companies Tariff No. 1	Transmittal No. 1022
Embarq Local Operating Companies Tariff F.C.C. No. 1	Transmittal No. 72

PETITION OF AT&T CORP. TO SUSPEND AND INVESTIGATE

Pursuant to Section 1.773 of the Commission's Rules, 47 C.F.R. § 1.773, and the Commission's Order, DA 09-683, released Mar. 26, 2009,[1] AT&T Corp. ("AT&T") respectfully requests that the Commission suspend for one day, investigate and issue an accounting order for the interstate access tariff filed by above captioned local exchange carriers ("LECs").[2]

[1] Order, *July 1, 2009 Annual Access Charge Filings*, WCB/Pricing File No. 09-02, DA 09-683 (rel. Mar. 26, 2009) (setting procedures and filing dates for the 2009 annual access charge filings).

[2] *See* ICORE, Northwest Iowa Telephone Company, Transmittal No. 91, Tariff No. 2 (filed June 16, 2009); Geneseo Communications Inc., Transmittal No. 13, Tariff No. 1 (filed June 16, 2009); Union Telephone Company. Transmittal No. 78, Tariff F.C.C. No. 2 (filed June 16, 2009).

INTRODUCTION AND SUMMARY

Prompt Commission action is required to address significantly inflated and unlawful rates contained in the tariffs of three rate-of-return carriers, Northwest, Geneseo and Union. As described below, Northwest and Geneseo are engaged in traffic stimulation schemes. In addition, both Geneseo and Union have made fundamental errors in computing their rates. There is unquestionably a high probability that the tariffs will be found unlawful after investigation, that those unreasonable rates will not be corrected in a subsequent filing, and that suspension, investigation and entry of an appropriate accounting order are necessary to protect the public interest and prevent irreparable harm to ratepayers.

During the past several months, Northwest Iowa's and Geneseo's monthly interstate switched access volumes have been trending sharply upwards, and they now exceed historical levels by as much as 9 times. AT&T's anti-fraud department has placed test calls to the telephone numbers associated with the highest traffic volumes for these LECs, and AT&T has confirmed that these telephone numbers are used in connection with well-known traffic stimulation schemes. As a result of these traffic stimulation schemes, these LECs' rates are substantially inflated and will result in returns that far exceed the Commission's prescribed 11.25% rate of return. In 2007, the Commission suspended and investigated, and ordered an accounting of the tariffs filed by several LECs engaged in such traffic stimulation schemes, and it should do so again here.

Moreover, the fact that LECs continue to engage in traffic stimulation schemes emphasizes the critical importance that the Commission adopt rules in its pending rulemaking proceeding (WC Docket No. 07-135) to prohibit such conduct. Absent such rules, AT&T and other ratepayers incur very substantial costs in uncovering such schemes and then challenging them on a piecemeal basis in tariff interventions and by filing complaints with the Commission and federal courts.

The tariff filed by Geneseo should also be suspended, investigated and set for accounting for independent reasons. Geneseo received significant support from the universal service fund in 2007, and the Commission's rules require that Geneseo reduce its revenue requirement by such amounts. Although Geneseo received such support in 2007 and 2008, it reduced its revenue requirement for the 2009/2010 tariff period by only a portion of those amounts. As a result of this error, the rates in Geneseo's tariff are inflated by $185,508 on an industry-wide basis. Geneseo has also inappropriately included its total local switching support in its revenue requirement which further inflates its rates. In addition, Geneseo has inflated its revenue requirement for local switching by so-called "write-offs" that AT&T understands reflect amounts from Geneseo's 2007 and 2008 bills that are currently the subject of billing disputes. Such amounts are not properly included in Geneseo's 2009/2010 rates. If Geneseo is allowed to inflate its 2009/2010 rates with such "write-offs" Geneseo would then either recover amounts to which it is not entitled (if it does not prevail in those billing disputes) or double recover amounts it has already collected (if it prevails in those billing disputes).

Union Telephone is not engaged in traffic pumping. However, Union has made fundamental errors in its tariff filing that inflate its tandem switched transport rates by about $1.5 million. Indeed, as explained below, although Union reports that its Total Transport Revenue Requirement is $696,441, the rates it has computed will result in earnings of about $2.2 million for that rate element.

I. THE COMMISSION SHOULD SUSPEND AND INVESTIGATE THE RATES OF NORTHWEST IOWA AND GENESEO BECAUSE THEY ARE ENGAGED IN TRAFFIC STIMULATION SCHEMES THAT RESULT IN VASTLY INFLATED RATES.

Section 204 of the Communications Act (47 U.S.C. § 204) grants the Commission broad authority, on its own initiative or upon request, to suspend and investigate tariff filings that propose rates that are of questionable lawfulness. As the Commission has recognized, suspension and investigation of tariffs is an especially essential element of the core mandate to ensure just and reasonable rates where highly suspect tariffs that raise substantial questions of lawfulness are filed on a streamlined basis. *See, e.g.*, *July 1, 2004, Annual Access Charge Tariff Filings*, 19 FCC Rcd 23877, ¶ 7 (2004) ("*NECA Order*") ("When tariffs . . . are filed pursuant to the 'deemed lawful' provisions of the statute . . . it is incumbent upon us to suspend and investigate the tariff filing if it may reflect unjust and unreasonable rates").

"To enforce [Section 201(b)], the Commission has prescribed an authorized rate of return of 11.25% for rate of return carriers."[3] The rate of return prescription applies to all LECs that file tariffs under 47 C.F.R. § 61.39. As explained by the Commission, rates filed in tariffs under 47 C.F.R. § 61.39 "remain subject to the rate of return" prescription established by the Commission.[4] And, it is settled that "[v]iolations of rate of return prescriptions are *per se*

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[3] *NECA Order* ¶ 8.

[4] *Regulation of Small Tel. Cos.*, 2 FCC Rcd. 3811, ¶ 14 (1987) ("*Small Carrier Tariff Order*"); *see also id.* ¶ 18 n.27 (small LECs "electing to use" § 61.39 to compute rates "would compute rate[s] based on the target [*i.e.*, prescribed] rate of return"); *id.* ¶ 7 (stating that § 61.39 "should not permit or provide incentives for small companies to file access tariffs producing excessive returns"); *id.* ¶ 18 ("we emphasize that these carriers remain subject to the rate-of-return prescription in effect at the time the rates are effective. Therefore, if the actual return of an exempted carrier [*i.e.*, exempted from the *automatic* refund obligations that then applied to other rate-of-return regulated LECs] exceeds the authorized return, the Commission reserves the right, at its discretion, to enforce its rate of return prescription by appropriate action, included the imposition of refunds"); 47 C.F.R. § 61.39(c) ("rates must be calculated based on the [LEC's] (continued…)

violations of the duty to charge only 'just and reasonable' rates.'"[5] As the D.C. Circuit has explained, "[t]he idea of a rate prescription under section 205 is that the agency has proclaimed that a certain situation – here a return in excess of 10% – is unlawful and shall not occur."[6]

Accordingly, the Commission has consistently suspended and investigated tariffs when it appears that a LEC's tariffed rate may result in returns that substantially exceed the rate-of-return prescription. Most relevant here, the Commission has held that traffic stimulation schemes are precisely the type of conduct that raises serious questions as to whether a LEC's tariff is lawful and that tariffs filed by LECs engaged in such schemes should be suspended and investigation.[7]

Traffic stimulation schemes work as follows: (1) the LEC enters into revenue sharing arrangements with communications service providers offering (usually "free") chat and other domestic and international calling services, which results in millions of calls between non-residents of the rural communities the LEC serves being routed through the LEC's exchange; (2) the LEC files an individual tariff under Rule 61.39 that establishes high terminating access charges based on the false pretense that its traffic volume will continue at historically low levels; and (3) the LEC bills its access customers terminating access charges for these calls, generating

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(…continued)
prescribed rate of return applicable to the period during which the rates are effective").

[5] *Virgin Islands Tel.*, 444 F.3d at 669-70. *See also Global Crossing Telecommunications, Inc.* v. *Metrophones Telecommunications, Inc.*, 127 S. Ct. 1513, 1519-20 (2007) (permitting Commission to "treat a violation of the [rate-of-return] prescription as a *per se* violation of the requirement of the Communications Act that a common carrier maintain 'just and reasonable' rates").

[6] *NETCO* v. *FCC*, 826 F.2d 1101, 1106 (D.C. Cir. 1987); *see also id.* ("Certainly carriers cannot intentionally try to violate an outstanding prescription, but that does not mean that they may achieve through inadvertence what they are forbidden from doing by design").

[7] *See* Order, July 1, 2007, Annual Access Charge Tariff Filings, 22 FCC Rcd. 11619 (2007) ("*2007 Suspension Order*"); Order Designating Issues For Investigation, *Investigating of Certain*
(continued…)

revenues and returns that exceed the LEC's cost of service and authorized return by orders of magnitude.

In its *2007 Suspension Order*, the Commission held that these schemes "raise substantial questions of lawfulness that warrant investigation,"[8] and it designated three critical issues for investigation. First, the Commission set for investigation the question of "whether the cost of any direct or indirect payments, sharing of access revenues or other forms of compensation to the provider of an access stimulation service, or the cost of directly providing the access stimulation activity, is properly included in the revenue requirements used to develop switched access rates." *2007 Designation Order* ¶ 13. The Commission explained that "it is unclear what these costs have to do with the provision of exchange access service" and that "[i]ncluding such costs as a cost of exchange access may be an unreasonable practices that violates section 201(b) and the prudent expenditure standard." *Id.*

Second, the Commission set for investigation "whether the rates filed [by LECs engaged in traffic pumping] will remain just and reasonable if demand increases dramatically." *2007 Designation Order* ¶ 15. As the Commission recognized, LECs that file tariffs pursuant to section 61.39 of the Commission's rules (47 C.F.R. § 61.39), compute rates by essentially dividing their projected revenue requirement (costs plus the Commission prescribed 11.25% rate-of-return) by their projected demand (*i.e.*, traffic volumes). The projected demand figures are typically based on the LEC's historical demand, because for ordinary LECs demand tends to be steady over time. *Id.* But for a LEC that is engaged in traffic pumping, its actual prospective

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(…continued)
2007 Access Tariffs, 22 FCC Rcd. 16109 (2007) ("*2007 Traffic Stimulation Order*").

[8] *2007 Suspension Order* ¶ 3.

demand will be substantially higher than any projections based on historical demand. As a result, the LEC's rates will be set too high, and the LEC will earn returns that far exceed the permissible 11.25%. As the Commission has explained, LECs that engage in traffic stimulation activities "can generate increased revenues that likely would result in rates that are unjust and unreasonable." *Id.*

Third, the Commission set for investigation the question of "how the Commission should ensure that it has an opportunity review the rates when a specified increase in local switching demand is reached." *2007 Designation Order* ¶ 19. Where a LEC is engaged in a traffic stimulation scheme, "at some point, an increase in local switching demand will result in switched access rates that are no longer just and reasonable." *Id.*

The tariffs at issue here present an even clearer case for suspension and investigation than those at issue in the 2007 suspension and investigation orders. In 2007, the Commission suspended and investigated the tariffs of several LECs based on strong evidence that the rates in those LECs tariffs would produce returns that exceed the Commission-prescribed 11.25% level because those LECs were *likely* to engage in traffic stimulation schemes, even though the LECs had not yet initiated such schemes.[9] Here, by contrast, Northwest Iowa and Geneseo already engage in traffic stimulation schemes, and it is clear the rates in their July 1, 2009 tariffs will produce returns that substantially exceed the 11.25% prescribed level.

Northwest Iowa and Geneseo are LECs that have filed tariffs pursuant to 47 C.F.R. § 61.39. In July 2007, Northwest Iowa and Geneseo filed a new tariff with the Commission that

[9] *2007 Suspension Order* ¶ 32.

contained significantly higher rates based on low traffic volumes in 2005 and 2006. Those rates were effective on July 1, 2007.

Soon after obtaining those substantial rate increases, the traffic volumes for Northwest Iowa and Geneseo began to surge to levels well above those on which their rates were based. Calls by AT&T's anti-fraud department called to several of the Northwest Iowa and Geneseo telephone numbers that were generating the largest volumes of traffic confirmed that those telephone numbers were associated with the type of free and low cost calling services used to generate enormous amounts of traffic pursuant to a traffic stimulation scheme, such as free conference and chat lines.

In their July 1, 2009 tariff filings, Northwest Iowa and Geneseo filed rates for 2009/2010 tariff period based on their average monthly traffic volumes for 2007 and 2008. These rates are lower than Northwest Iowa's and Geneseo's prior rates because they reflect the higher average monthly volumes for 2007 and 2008. However, their average volumes for 2007 and 2008 vastly understate the traffic volumes they will obtain in the 2009/2010 tariff period, because the 2007/2008 average volumes include the much lower traffic volumes from 2007 before Northwest Iowa and Geneseo had fully implemented their traffic pumping schemes. Indeed, the average monthly local switching traffic volumes for 2007 and 2008 that these LECs used to develop their 2009/2010 rates were 2.9 million (Northwest Iowa) and 3.9 million (Geneseo). But according to the data supplied in their July 1, 2009 tariff filings, their actual local switching volumes had already exceeded those levels by December 2008 (for Northwest Iowa) and January (for Geneseo), *see* Exhibit A, and according to AT&T's billing data, by March 2009, their local switching volumes were even higher still.[10] There is no reason to believe that Northwest Iowa's local switching and tandem transport volumes will decrease in the future. On the contrary, historical trends show that such volumes will continue their dramatic upward trends in 2009 and 2010.

In short, the rates in the July 1, 2009 tariffs of Northwest Iowa and Geneseo for the 2009/2010 tariff period assume local switching and tandem transport volumes that are a small fraction of the actual volumes they are experiencing. Consequently, their actual traffic volumes for the 2009/2010 tariff period will clearly far exceed the volumes on which the rates are based, and will thus result in returns that substantially exceed the Commission-prescribed 11.25% level.

Because the Northwest Iowa and Geneseo tariffs raise substantial questions of lawfulness, the Commission should – as it did in 2007 when confronted with similar facts – suspend and investigate, and set for accounting, the tariffs of Northwest Iowa and Geneseo.

In 2007, the Commission permitted the LECs whose rates were suspended to avoid investigation and prescription by including language in their tariff that required them to file new tariffs if their traffic volumes in any month exceeded 100% of the volume in the same month in the previous year. That "safe harbor" does not provide adequate protection here. Unlike the LECs that were subject to the 2007 suspension and investigation, these LECs have already begun their traffic pumping schemes. Consequently, their year-ago traffic volumes are already inflated by traffic stimulation volumes, which provides them vast headroom to continue to increase their traffic volumes without triggering the tariff re-filing requirement. For example, as noted,

[10] Similarly, the average tandem transport volumes for Northwest Iowa and Geneseo for 2007 and 2008 were 2.9 million minutes and 3.9 million minutes, respectively, and AT&T's billing data show that its actual minutes have far exceeded those levels for both LECs since January (continued…)

Northwest Iowa's local switching traffic volumes for March 2008 are approximately 10 million minutes. Under such a safe harbor Northwest Iowa could continue its traffic pumping scheme by increasing volumes to nearly 20 million minutes by next March and avoid having to filed corrected tariffs. Thus, here, immediate further rate reductions are necessary to ensure that the 2009/2010 rates reflect current (traffic stimulation inflated) volumes.

The proper approach here is for the Commission to suspend and investigate, and order an accounting of, the Northwest Iowa and Geneseo tariffs. As part of that investigation, the Commission should determine appropriate demand projections for these LECs, and require them to set rates for the 2009/2010 tariff period based on those projections. AT&T supports, for example, resetting these LECs' based on historical traffic volumes for the six month from January, 2008 through June 2009. In addition, after the traffic sensitive rates for Northwest Iowa and Geneseo have been reset, both of these LECs should be required to include a provision in their tariff that a requires them to file updated tariffs within 60 days if their demand increases by more than 100% compared to the demand levels on which their previous rates were set.

II. THE COMMISSION SHOULD SUSPEND AND INVESTIGATE THE TARIFF OF GENESEO FOR THE ADDITIONAL REASON THAT IT HAS FAILED TO REDUCE ITS LOCAL SWITCHING REVENUE REQUIREMENT TO REFLECT UNIVERSAL SERVICE SUPPORT AMOUNTS IT RECEIVED IN 2007 AND ITS RATES ARE INFLATED BY SO-CALLED "WRITE-OFFS".

In addition, Geneseo's tariff contains three clear errors. First, Geneseo, has included universal service support amounts that it received in 2007 and 2008 in its 2008/2009 revenue requirement for local switching, which is not permitted by the Commission's formula for computing the revenue requirement.

(…continued)
(Northwest Iowa) and February (Geneseo) of 2008. *See* Exhibit B.

Second, Geneseo compounded this error by failing to remove all of the universal service support it received in 2007 and 2008 from its local switching revenue requirement. The Commission's rules require all carriers that receive such support to reduce their local switching revenue requirements in subsequent tariff period (here the 2009/2010 period) by the amount of local switching support they receive.[11] Geneseo received $489,852 of local switching support in 2007 and $618,276 in 2008, and Geneseo properly reduced its local switching revenue requirement to reflect these amounts. However, as a result of a true-up by the Universal Service Administrative Company ("USAC"), which administers the universal service support mechanism, Geneseo received an *additional* $185,508 in universal service support for 2007. Although USAC's reports show that Geneseo received this additional support,[12] Geneseo did not reduce its local switching revenue requirement by this amount, as required by the Commission's rules.

The average schedule switched basic settlement formulas produced $1,885,539[13] for the 2007 & 2008 settlement period. With the removal of the correct local switching support amount of $1,293,636 and the removal of line port costs of $246,158[14] and the addition of SS7 costs of $100,224[15], the residual amount remaining for its local switching rate setting revenue

[11] Part 69.106(b)

[12] Third Qtr 2009 USAC Filing HC22 - Local Switching Support by State by Study Area - 2007 True-Up - 3Q2009.

[13] Geneseo Telephone Company, Transmittal No. 13, Filed June 16, 2009. Cost support workpapers provided upon request, Exhibit A-Rate Development.

[14] *Id.*

[15] *Id.*

requirement is $445,969 for the two year period. This compares to Geneseo's residual local switching revenue requirement of $2,491,777.[16] These calculations are shown in Exhibit C.

Third, Geneseo Telephone Company has included in its revenue requirement $752,172 of what it calls "write-offs" that it attributes to attributed to AT&T and other interexchange carriers. It is AT&T's understanding that these "write-offs" are amounts that Geneseo has either had to refund to interexchange carriers as a result of billing errors or that are currently the subject of disputed bills. At least to the extent those "write-offs" relate to Geneseo's disputes with AT&T, they are clearly inappropriate. AT&T's billing dispute with Geneseo relates to DS1 lines ordered by AT&T, for which Geneseo billed as 24 DS0 lines rather than a DS1 line, resulting in overbilling of about $300,000. Geneseo had no basis to bill AT&T for those amounts in the first place, and it certainly has no legitimate basis for seeking to recover those amounts through increases in its 2009/2010 tariffed rates.

The Commission should thus suspend and investigate Geneseo's July 1, 2009 tariffs for these independent reasons.

III. UNION TELEPHONE COMPANY HAS OVERSTATED ITS PROPOSED TANDEM SWITCHING TRANSPORT RATE.

Union reports that its Total Transport Revenue Requirement is $696,441.[17] However, its Total Tandem Switched Transport rate ($.018524) will result in TTR recovery of $2,235,092.[18]

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[16] *Id.*

[17] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Development of Tandem Switched Transport Rates" Line 11. The source of this amount is the average of Union's Part 69 Cost Study, Study Years 2007 and 2008, line 36, columns Interstate Transport Transmission and Tandem Switching.

[18] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Development of Tandem Switched Transport Rates" Line 18.

Union's Total Tandem Switched Transport rate therefore produces overearnings of more than $1.5 million. These ovearnings are caused by two significant errors in Union's tariff (these errors and corresponding corrections are shown in Exhibit D).

First, Union incorrectly includes its DS1 Multiplexing rate as part of the Revenue per Circuit portion in Part A of its calculation.[19] Removing the DS1 Multiplexing rate from the calculation, reduces its DS1 Revenue per Circuit from $404.29 to $124.24.[20] Correcting this error reduces Union's Tandem Switched Transport Rate from $.002315 to $.000711.[21]

Second, Union has used the incorrect minutes of use ("MOUs") to compute its "Host Remote per MOU Additive." In its Development of Tandem Switched Transport Rates workpaper, Union shows its Host Remote Revenue Requirement to be $441,842 and Union divides this amount by Host Remote MOUs of 28,143,826.[22] This calculation results in a Host Remote MOU Additive of $.015699 per MOU.[23] Union then adds this $.015699 to the Tandem

[19] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Development of Tandem Switched Transport Rates" Line 1. Section 69.111(g) of the Commission's rules specifically states that the multiplexing charge should be excluded from the tandem switching charge calculation: "Beginning January 1, 2000, the tandem switching charge imposed pursuant to paragraph (a)(2)(ii) of this section shall be set to recover the entire interstate tandem switching revenue requirement, including that portion formerly recovered through the interconnection charge recovered in §§ 69.124, 69.153, and 69.155, and excluding multiplexer and dedicated port costs recovered in accordance with paragraph (l) of this section."

[20] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Calculation of Direct Trunk Transport Revenues" Line 1 Special Access CMT Rate $121.81 + Special Access CMF Rate $2.43 = $124.24.

[21] *See* Exhibit D, Line 5.

[22] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Development of Tandem Switched Transport Rates" Line 6 and Line 7.

[23] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Development of Tandem Switched Transport Rates" Line 9.

Switched Transport Rate and Tandem Switched Transport Rate per MOU to arrive at a final Total Tandem Switching Transport rate of $.018524.[24]

Although Union has computed a Host to Remote per MOU additive based on only its Host to Remote MOUs, it has included this $.015699 additive in its Total Tandem Switching Transport rate of $.018524 which will be billed to *all* Tandem Switching MOUs. Since Union's Host to Remote additive is billed to all Tandem Switching MOUs through the Total Tandem Switching rate, Union must compute this additive using all Tandem Switching MOUs, not just the Host to Remote MOUs.

Correcting this error by calculating Union's Host to Remote additive using total Tandem Switching MOUs results in a per minute rate of $.003662, not $.015699. Union's total Tandem Switching Transport rate after making these two corrections should be $.004712, not $.018524.[25]

CONCLUSION

For the reasons stated above, the Commission should suspend for one day and investigate the tariffs filed by the above-captioned LEC tariffs and impose an accounting order.

Respectfully submitted,

AT&T Corp.

/s/ M. Robert Sutherland

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Sidley Austin LLP

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AT&T Inc.

[24] Union Telephone 2009 Annual Access Filing, Transmittal No. 78, "Development of Tandem Switched Transport Rates" Line 18.

[25] Exhibit D, Line 18.

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June 23, 2009

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of June 2008, I caused true and correct copies of the foregoing Petition of AT&T Corp. To Suspend And Investigate to be served on all parties as shown on the attached Service List.

Dated: June 23, 2009
Washington, D.C.

/s/ Christopher T. Shenk

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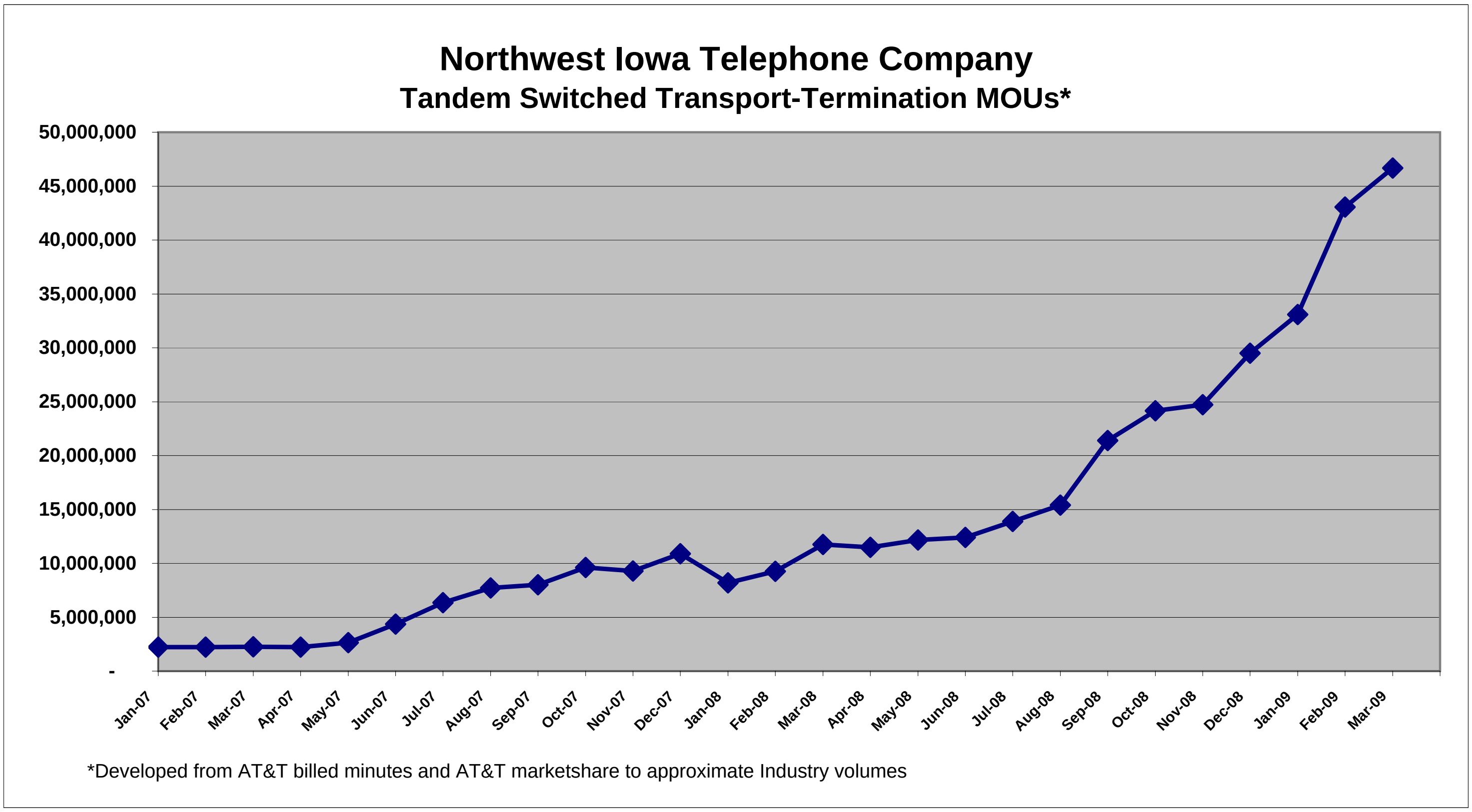
Local Switching Minutes
Northwest Iowa Telephone Company
Geneseo Telephone Company
As Filed June 16, 2009

EXHIBIT A

Month	NW Iowa Local Switching MOUs	Geneseo Local Switching MOUs
Jan-07	931,787	2,566,423
Feb-07	866,848	2,439,887
Mar-07	990,549	1,736,256
Apr-07	1,276,720	1,226,626
May-07	1,607,293	1,639,708
Jun-07	1,688,944	2,705,454
Jul-07	1,711,537	1,981,785
Aug-07	1,966,019	2,646,684
Sep-07	1,890,023	2,247,139
Oct-07	2,220,241	3,521,963
Nov-07	2,564,832	2,980,731
Dec-07	2,721,947	3,019,551
Jan-08	3,446,975	3,465,272
Feb-08	3,194,450	4,104,988
Mar-08	3,404,424	4,588,308
Apr-08	3,383,016	4,325,485
May-08	3,709,090	4,396,362
Jun-08	3,729,362	4,813,076
Jul-08	4,527,654	5,328,636
Aug-08	4,698,152	5,219,195
Sep-08	4,384,313	6,100,078
Oct-08	5,275,652	8,910,313
Nov-08	5,305,534	7,061,066
Dec-08	5,818,683	6,839,686
Average Monthly MOUs	**2,971,419**	**3,911,028**

Source:
ICORE Transmittal No. 91
Geneseo Transmittal No. 13
Cost support workpapers were provided upon request

EXHIBIT B


Northwest Iowa Telephone Company
Tandem Switched Transport-Termination MOUs*
50,000,000
45,000,000
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
Jan-07
Feb-07
Mar-07
Apr-07
May-07
Jun-07
Jul-07
Aug-07
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Oct-07
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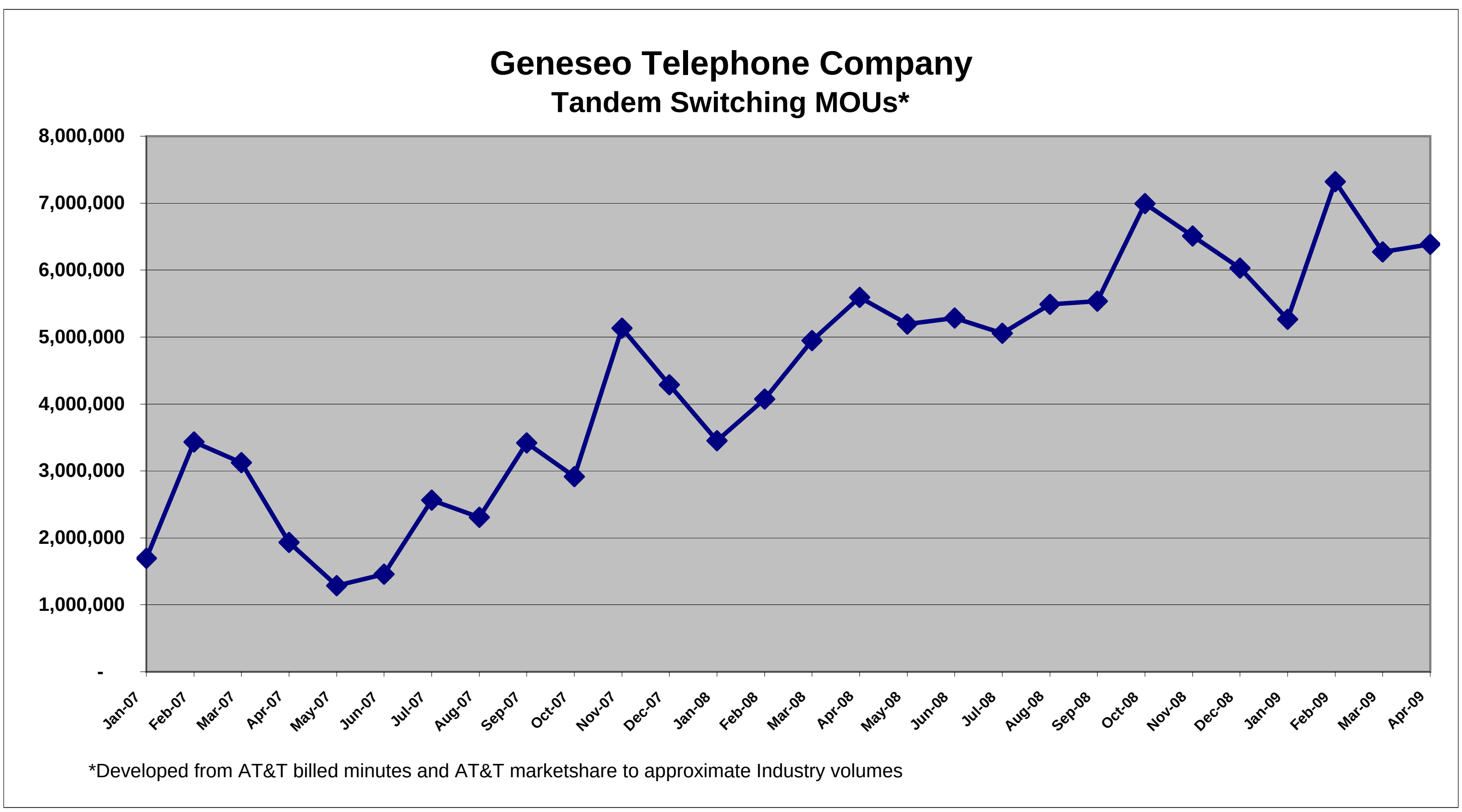
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
*Developed from AT&T billed minutes and AT&T marketshare to approximate Industry volumes


Geneseo Telephone Company
Tandem Switching MOUs*
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
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1,000,000
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Jan-07
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Jun-07
Jul-07
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Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
Apr-09
*Developed from AT&T billed minutes and AT&T marketshare to approximate Industry volumes

Geneseo Telephone Company **EXHIBIT C**
Local Switching Rate Development

	2007 & 2008	
	As Calculated	**As Filed**
Switched Basic Settlement	$1,885,539	$3,846,063
Local Swtg Support	$1,293,636	$1,108,128
less Local Swtg Support	$591,903	$2,737,935
Line Port	$246,158	$246,158
less Line Port	$345,745	$2,491,777
SS7 Full*	$100,224	
Add SS7 Full	$445,969	$2,491,777
Local Switching Demand	90,067,618	90,067,619
Local Switching Rate	$0.00495	$0.02767

*Note: SS7 Costs included in Geneseo's starting local switching revenue requirement

Source: Transmittal No. 13 (workpapers were provided upon request)
Exhibit A-Rate Development
Average Schedule Formulas

Union Telephone Company Exhibit D

Development of Tandem Switched Transport Rates

July 1, 2009 Interstate Access Tariff Filing

Line	Description	Source	Union as Filed	AT&T Corrected
1	Revenue Per Circuit	Special Access	$404.29	**$124.24**
2	Voice Grade Equivalent	Given	$24.00	$24.00
3	Revenue Per Circuit	Calculation (Ln1/Ln2)	$16.85	$5.18
4	Minutes Per Circuit Per Month	Special Study	7,277	7,277
5	Tandem Switched Transport (TST) Rate - Part A	Ln5=Ln3/Ln4	0.002315	$0.000711
6	Host Remote Revenue Requirement	Host Remote Workpaper	$441,842	$441,842
7	Host to Remote MOUs	Demand	28,143,826	**120,655,986**
8	Host to SWC MOUs	Demand	0	0
9	Host Remote Additive - Part B	Ln6/(Ln7+Ln8)	$0.015699	$0.003662
10	TST Rate Part A + Part B	Ln5+Ln9	$0.018014	$0.004373
11	Total (Average) Transport Revenue Requirement	Part 69	$696,441	$696,441
12	Revenue From TST Rate	Ln10*(Ln7+Ln8)	$506,983	$527,673
13	Revenue From Direct Trunks	DTT Revenue Workpaper	$98,836	$98,836
14	Revenue From 800 Data Base Queries	800 Data Base Query Revenue Workpaper	$29,067	$29,067
15	Residual Transport Revenue Requirement	Ln11-Ln12-Ln13-Ln14	$61,555	$40,865
16	Transport Minutes of Use	Demand	120,655,986	120,655,986
17	TST Rate Part C	Ln15/Ln16	$0.000510	$0.000339
18	Total TST Rate Part A + Part B + Part C	Ln10+Ln17	**$0.018524**	**$0.004712**