

## 1. Introduction

Frontier Telephone Companies ("Frontier") submits herewith its Description and Justification ("D&J") in support of changes to its Access Tariffs FCC made under Transmittal No. 24. This filing is made on behalf of the exchange carriers issuing Frontier Telephone Companies Tariffs FCC Nos. 4, 5 and 6.

## 2. Federal Universal Service Fund (FUSF) Charge Restructure

Frontier's current FUSF rate structure in Tariffs FCC Nos. 4, 5 and 6 includes a per-line charge assessed to end user customers to whom End User Common Line ("EUCL") and other interstate charges apply, which recovers the portion Frontier's USF obligation that arises from EUCL rates and related port rates; and percentage surcharges, which recover the portion of Frontier's USF obligation that arises from other rates. The per-line FUSF rates are calculated to be the product the USF Contribution Factor and the sum of the EUCL and related port rates, by grade of service. The percentage surcharges are the Special Access FUSF rate and the

Other Incidental Services FUSF rate. These rates are applied to interstate Special Access billing and incidental interstate services, respectively. Incidental interstate services include non-recurring charges for the Presubscribed Interexchange Carrier ("PIC") and the recurring PICC assessed to end-users. Each of the percentage surcharges is equal to the USF Contribution Factor.

In this filing, Frontier replaces this rate structure with a single percentage surcharge that applies to EUCL and related port rates as well as to Special Access billing and incidental interstate services. This surcharge is equal to the USF Contribution Factor, which was set at 17.4% by the Commission's *Public Notice*, Proposed Second Quarter 2012 Universal Service Contribution Factor, DA 12-396, released March 13, 2012 ("*2Q11 USF Notice*").

Because the previous per-line FUSF rates were computed as the product of the Contribution Factor and the underlying EUCL and related port rates, this restructure should produce no change in the

amount billed to customers.

### 3. National Discount Plan

Frontier's National Discount Plan is currently limited to existing customers. In this filing, Frontier revises terms and conditions to prohibit renewals of existing subscriptions.