

IOWA TELECOMMUNICATIONS SERVICES, INC.

First Quarter 2001 Access Universal Support Filing

December 18, 2000

Description and Justification

Introduction

Iowa Telecommunications Services, Inc. (Iowa Telecom) submits the following information in support of changes to F.C.C. Tariff No. 1. This filing is in response to changes in universal service access receipts and the universal service contribution factor. The TRP and associated schedules support the adjusted Carrier Common Line (CCL) rates resulting from changes in USAC receipts. This is a revenue neutral filing.

Iowa Telecom commenced operations July 1, 2000 after the purchase of access lines and related assets from GTE (now part of Verizon) in Iowa. Iowa Telecom comprised of two study areas which are identified by the COSA codes COIT and GTIA. Information in this filing is provided for both COIT and GTIA. This filing reflects the universal service procedures as outlined in the *CALLS Order*. Iowa Telecom continues to file in accordance with Sections 61.41 through 61.49 of the Federal Communications Rules.

Explicit Support and CCL Rate Changes

Changes in price cap rates are limited to CCL rate reductions in both filing entities. No other price cap rates are affected by this filing. There are no changes to base period demand and exogenous costs. As discussed in the following section end user surcharge rates are adjusted to reflect the new universal service contribution factor.

As stipulated in Paragraphs 206 and 207 of the *CALLS Order*, Exhibit A shows the explicit Universal Service Administration (USAC) revenue support for both Iowa Telecom study areas. Line 130 displays the explicit USF in total, and line 140 displays the per line amount. These amounts are carried forward to RTE-1 line 185 in the TRP filing for each entity. These amounts are included in the development of CCL rates.

Exhibit B shows the total revenue flows from increased USAC revenues and decreased CCL rates. It provides a comparison of current and proposed revenues, and demonstrates the revenue neutrality resulting from this filing.

End User USF Charge

Paragraph 218 of the *CALLS Order* requires carriers to establish a separate rate element to recover all contributions to the universal support mechanisms. Exhibit C shows the

calculation of the end user charge based on the first quarter 2001 contribution factor of .066827.

Conclusion

Iowa Telecom is submitting the accompanying information to meet the requirements of the Commission's price cap rules and universal service decisions. The rate adjustments as proposed are demonstrated to be just and reasonable, and are supported by the detail provided and the requirements of Commission rules.