Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
July 1, 2005 Annual Access Charge Tariff Filings	)	WCB/Pricing No. 05-22 DA 05-1039
National Exchange Carrier Association, Inc. Tariff F.C.C. No. 5	)	Transmittal No. 1077

PETITION OF GCI TO SUSPEND AND INVESTIGATE

General Communication, Inc. ("GCI"), by its undersigned attorneys and pursuant to Sections 201(b) and 204(a)(1) of the Communications Act of 1934 and Section 1.773 of the Commission's rules,[1] hereby petitions the Commission to suspend and investigate National Exchange Carrier Association, Inc. ("NECA") Tariff F.C.C. No. 5, Transmittal No. 1077, which was submitted on June 16, 2005.[2]

First, as GCI demonstrates below, NECA's 2005 Annual Access Tariff Filing unlawfully proposes rates that target a return of greater than 11.25 % for the 2005-2006 Monitoring Period. Although NECA's proposed rates target 11.25 % for the 2005-2006 tariff year, NECA fails to make any mid-course tariff adjustment to account for excessive returns in the switched traffic sensitive category for the first half of calendar year 2005. As rule 65.701 makes clear, "interstate earnings shall be measured over a two year period to determine compliance with the maximum

---

[1] 47 U.S.C. §§ 201(b) and 204(a)(1); 47 C.F.R. § 1.773.

[2] National Exchange Carrier Association, Inc. Tariff F.C.C. No. 5, Transmittal No. 1077 (filed June 16, 2005) ("NECA 2005 Annual Access Tariff Filing").

allowable rate of return."[3] Accordingly, even if NECA's proposed rates for the 2005-2006 tariff year result in an 11.25 % return for that period, without a midcourse correction, NECA will be on track to *overearn* for the 2005-2006 Monitoring Period taken as a whole. Because NECA has not provided any evidence that its proposed 2005-2006 rates will target an 11.25 % rate of return for the 2005-2006 Monitoring Period, NECA's proposed rates raise a substantial question of lawfulness. Commission action is necessary to prevent irreparable harm because, in the absence of suspension and investigation, NECA's rates will be deemed lawful.

GCI emphasizes that it is not, at this time, seeking a refund for overearnings in the first six months of 2005. What GCI seeks at this time is a determination of the proper level of *prospective* charges pursuant to the NECA tariff. Nothing in Section 204(a)(3) – which deems lawful certain rates filed under streamlined tariffing procedures – altered the Commission's rules regarding the prescribed rate-of-return or the period over which compliance with the prescribed rate-of-return is evaluated.[4] Even in light of Section 204(a)(3), NECA has an affirmative obligation to adjust its rates to target an 11.25 % rate-of-return for the entire Monitoring Period, not just the tariff year.

GCI notes that if the Commission actually enforces its rate-of-return rules in evaluating proposed rates, the Commission would reestablish some incentive for NECA and other incumbent LECs to accurately project revenue requirement and demand. Under the Commission's precedent regarding the duty of an ILEC to update its rates to target the prescribed rate of return, ILECs remain accountable to correct for overearnings in future rates during the Monitoring Period, even if past period rates are deemed lawful.

[3] 47 C.F.R § 65.701.

[4] 47 U.S.C. § 204(a)(3).

Second, NECA's filing lacks adequate background detail, and its rate development methodology remains largely a "black box." In particular, with respect to special access, NECA relies on a linear trend analysis to adjust the special access revenue requirement upward by $91 million but provides insufficient detail for a meaningful evaluation of whether that sizable adjustment is, in fact, justified. While GCI appreciates NECA's post-filing efforts to provide some additional detail on this point, given the constraints imposed by streamlined tariff procedures, GCI has been unable to obtain sufficient information within the time allowed to fully evaluate NECA's special access methodology. Absent additional detail, both GCI and the Commission simply cannot determine whether NECA's special access revenue requirement adjustment is proper and whether its special access rates are just and reasonable. Accordingly, GCI respectfully requests that the Commission suspend and investigate NECA's 2005 Annual Access Tariff for special access, and require NECA to provide the information (as detailed below) that is necessary for meaningful review by GCI and the Commission.

I. THE 2005 NECA ANNUAL ACCESS TARIFF FILING IS UNLAWFUL BECAUSE IT FAILS TO REFLECT A NECESSARY ADJUSTMENT TO CORRECT FOR OVEREARNINGS IN THE FIRST HALF OF CALANDER YEAR 2005.

NECA's 2005 Annual Access Tariff Filing is unlawful with respect to switched access service because it does not make any adjustment to correct for anticipated earnings in excess of prescribed levels for the first six months of calendar year 2005, adjustments that NECA must make in order to target the prescribed 11.25 % rate-of-return for the 2005-2006 Monitoring Period. The Commission's rules are clear, establishing the rate-of-return prescription for the two-year Monitoring Period, not the tariff year. Section 65.701 provides that "earnings shall be measured over a two year period to determine compliance with the maximum allowable rate of return."[5] Indeed, as the D.C. Circuit has explained, "the target 'authorized return' is a number that has meaning only in relation to the full two-year monitoring period."[6]

As a rate-of-return regulated filer, NECA is thus required to set *and to adjust* rates to avoid exceeding the Commission's rate-of-return prescription at the completion of the two-year Monitoring Period.[7] The Commission explained that:

> To comply with [its rate of return] prescription, rate-of-return carriers . . . file tariffs containing rates for their access services that they believe, given their estimate of costs and demand, will result in earnings within the prescribed rate of return at the end of the two-year forecast period. *During the course of the two-year monitoring period, rate-of-return carriers must review how their actual costs and demand calculations compare to their earlier projections, and make rate adjustments, if necessary, to ensure that they do not exceed their prescribed rate of return.*[8]

Contrary to the Commission's rules and the rate-of-return regulatory regime, NECA does not appear to be making any adjustment to its projections to correct for its likely switched traffic sensitive overearnings in the first six months of 2005 – which NECA's initial first quarter 2005 traffic sensitive results reveal to be more than 450 basis points above the 11.25 % prescribed rate of return. NECA's entire description and justification sets its rates only to target an 11.25 % rate-of-return for the tariff year, without also examining whether these rates would target an 11.25 % rate of return for the

---

[5] 47 C.F.R. 65.701.

[6] *Virgin Islands Tel. Corp. v. FCC*, 989 F.2d 1231, 1238 (D.C. Cir. 1993).

[7] *See General Communication, Inc. v. Alaska Communications Systems, Inc.*, Memorandum Opinion and Order, 16 FCC Rcd 2834, 2836-87 (¶5) (2001) (citing *MCI Telecom. Corp. v. FCC*, 59 F.3d 1407, 1415 (D.C. Cir. 1995)); *Amendment of Part 65, Interstate Rate of Return Prescription; Procedures and Methodologies to Establish Reporting Requirements,* Report and Order, 1 FCC Rcd 952, 954 (¶22)(1986)).

[8] *Id.* (footnotes omitted) (emphasis added).

Monitoring Period. By ignoring its likely overearnings for the first six months of calendar year 2005, and targeting its rates to 11.25 % for the 2005-2006 tariff year only rather than the 2005-2006 Monitoring Period, NECA's 2005 Annual Access Tariff Filing raises a substantial question of lawfulness.

As GCI has pointed out with respect to previous NECA annual filings, and this Commission has recognized in its Orders concerning NECA's 2004 Annual Access Tariff, NECA's earnings reports reflect a persistent pattern of overearnings for the last five Monitoring Periods.[9] As particularly relevant here, NECA has routinely filed tariffs during each of those Monitoring Periods that target an 11.25 % rate of return during the period covered by the tariff (yet routinely exceed in actuality), rather than an 11.25 % rate of return for the overall Monitoring Period. Once again, NECA's 2005 Annual Access Tariff Filing contains this same flaw, failing to make any mid-course correction to adjust for expected overearnings in the first six months of calendar year 2005.

NECA's own filings with the Commission for switched traffic sensitive services demonstrate that NECA has likely already overearned in the first half of 2005. First, NECA's MOU pooling data reveals excessive returns for traffic sensitive service for the first three months of 2005. NECA's January 31, 2005 results reported as of March 2005 reflects an Annualized Traffic Sensitive Ratio of 15.83 %. The year-to-date Annualized Traffic Sensitive Ratio, as of February 28, 2005, rose to 15.98 %, and that figure, as of

---

[9] Specifically, NECA's final Form 492s reflect rates of return for switched traffic sensitive service of 13.02 % for 1993-94; 12.23 % for 1995-96; 13.66 % for 1997-98; 12.34% for 1999-2000; and 12.76 % for 2001-02. *See July 1, 2004, Annual Access Charge Tariff Filings*, Opposition to Direct Case of National Exchange Carrier Association, Inc. by General Communication, Inc., WC Docket No. 04-372, at 7 (chart) (filed Oct. 22, 2004) ("GCI 2004 Opposition").

March 31, 2005, rose again to 15.99 %.[10] Yet NECA makes no mid-course correction to account for these first quarter returns, nor does it explain how these returns, in combination with the proposed 2005-2006 rates, target an 11.25 % rate-of-return for the Monitoring Period.

GCI anticipates that NECA will claim, as it did in support of its 2004 Annual Access Tariff filing, that the Commission should not rely on these returns because they do not reflect the true-up adjustments that will trickle in over the next 24-months. We note that the Commission has already expressed understandable doubt about the legality of NECA's position.[11] More importantly, however, NECA's historical data shows that, even accounting for true-ups and erosion over full the 24-month period, rates of return for the switched traffic sensitive category remain well above the 11.65 % maximum allowable rate of return.[12] The 2004 projections are no different. NECA's final projected pool results – even accounting for all unjustified post-Monitoring Period true-ups – for 2004 switched access remain above 13 %.[13]

---

[10] *See* Letter from Patricia A. Chirico, executive Director Tariffs, Rates, Costs & Average Schedules, National Exchange Carrier Association, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission (filed June 15, 2005) (Exhibit 1, Monthly Summaries of Traffic Sensitive Pool Results for First Quarter of 2005).

[11] *See July 1, 2004, Annual Access Charge Tariff Filings*, Memorandum Opinion and Order, 19 FCC Rcd. 23877, 23888 (¶¶27, 29) (2004) (finding that NECA has a "continuing obligation" to file "final adjustments" nine months after the close of the Monitoring Period and that "NECA has never clarified the legal authority or other basis" for its 24-month true-up practice).

[12] According to NECA, after the 24-month true-up process, rates of return for switched traffic sensitive service were 12.93 % for 1993-94; 12.11 % for 1995-96; 13.46 % for 1997-98; 12.17 % for 1999-2000; and 13.14 % for 2001-02. *See* GCI 2004 Opposition at 7 (chart).

[13] *See* NECA 2005 Annual Access Tariff Filing, Vol. 1 at 34 (Table 9).

Second, NECA's own data in the 2005 Annual Access Tariff Filing demonstrates that the rate development methodology – on which tariffs for January 1 to June 30, 2005 were based – has consistently over-forecast revenue requirements, resulting in inflated rates. NECA's historical trend analysis shows that company-supplied "revenue requirement projections have tended to overestimate the cost to be recovered through NECA's traffic sensitive rates,"[14] causing NECA to set rates at higher levels than would be justified to reach the 11.25 % prescribed rate of return.

Third, NECA's PYCOS analysis also shows that it is likely that NECA's earnings for the first six months of 2005 exceeded 11.25 %, such that targeting future rates to 11.25 % will predictably result in overearnings for the 2005-2006 Monitoring Period. As Table 7 of Volume 1 shows, the April 2005 view of calendar year 2004 actuals shows a 14.05% rate return. Even when adjusted for the PYCOS analysis, the 2004 rate of return is 12.67 % – far in excess of the target of 11.25 %. Moreover, when current rates are applied to test period demand, NECA's current rates would yield a 14.03% rate of return. From this data, it is reasonable to extrapolate that NECA's current rates will yield a rate-of-return substantially exceeding 11.25 % for the first six months of 2005.[15]

Thus, NECA's own analyses reveal that it assessed excessive rates that will likely earn greater than an 11.25 % rate of return for the first half of 2005. Despite all this, NECA persists in targeting an 11.25 % rate of return for the 2005 tariff year, making no mid-course correction.

---

[14] *Id.* at 13.

[15] *Id.* at 31 (Table 7).

Recognizing that "historical switched access revenue requirement forecasts have been overstated for the last several years," NECA has modified its methodology to correct this bias in setting rates for the upcoming tariff year.[16] While GCI supports NECA's efforts to improve its methodology for the future, NECA's rates for the first six months of the 2005-2006 Monitoring Period were based on NECA's flawed methodology. Thus, *even if its revised methodology achieves 100 % accuracy,* because NECA ignores the first six months of the Monitoring Period, NECA's proposed rates are aimed at the wrong target. NECA must take account of this initial period of overearnings and target an 11.25 % return for the entire Monitoring Period, even if that means NECA's returns fall below 11.25 % for the 2005-2006 tariff year. NECA's failure to do so raises a substantial question of lawfulness meriting suspension and investigation.

In pointing to NECA's returns for the first six months of the Monitoring Period, GCI is not asking the Commission for refunds. Rather, GCI respectfully requests that NECA be required to make a mid-course correction to reduce its rates for the coming tariff year to comply with Commission rules requiring that rates target 11.25 % for the two-year Monitoring Period. Under Commission rules, NECA is obligated to avoid exceeding the maximum allowable rate of return for that two year window. To be sure, NECA's obligation is a continuing one. GCI urges the Commission to require NECA to adjust its rates accordingly now, while three quarters of the Monitoring Period remain. If, as a result of making this required mid-course correction, NECA's later filings demonstrate earnings below the prescribed levels of the two-year period, NECA can simply raise rates so as to re-target 11.25 % for the overall Monitoring Period.

---

[16] *See Id.* at 35.

As the Commission is well aware, under the current legal interpretation of Section 204(a)(3),[17] tariffs filed under streamlined conditions "shall be deemed lawful" — and are thus not subject to refund for any later overearnings — unless the Commission suspends and investigates the tariff as provided in Section 204(a)(1). Thus, the importance of pre-effective review by the Commission cannot be overstated.[18] Because prescribed rates of return are "a means to achieve just and reasonable rates,"[19] the Commission should not hesitate to suspend and investigate NECA's tariff to enforce its rate-of-return prescription. Otherwise, that prescription will be meaningless.

Finally, GCI notes that it should be relatively easy for the Commission to craft appropriate relief as a result of any tariff investigation. NECA would simply be directed to file rates targeting 11.25 % for the entire Monitoring Period that take into account (1) its projected rates and earnings for the first six months of 2005; (2) the rates it would propose for the 2005-2006 tariff year; and (3) a presumption that its rates for the 2006-2007 tariff year will target an 11.25 % rate of return.

II. THE 2005 NECA ANNUAL ACCESS TARIFF FILING IS UNLAWFUL BECAUSE IT FAILS TO PROVIDE SUFFICIENT INFORMATION TO ENABLE MEANINGFUL REVIEW OF ITS SPECIAL ACCESS RATES.

NECA's filing raises a substantial question of lawfulness because it lacks sufficient background detail, effectively precluding meaningful review. In short, NECA's rate

---

[17] *See ACS v. FCC*, 290 F.3d 403, 412 (D.C. Cir. 2002).

[18] As the Commission has already recognized: "When tariffs, such as NECA's tariff, are filed pursuant to the "deemed lawful" provisions of the statute, therefore, it is incumbent upon us to suspend and investigate the tariff filing if it may reflect unjust and unreasonable rates." *July 1, 2004, Annual Access Charge Tariff Filings*, Order Designating Issues for Investigation, 19 FCC Rcd. 18593, 18597 (¶ 10) (2004).

[19] *ACS*, 290 F.3d at 411 (citing *Nader v. FCC*, 520 F.2d 182, 203 (D.C. Cir. 1975).

development methodology remains largely a "black box" into which neither GCI, nor the Commission, can see. Yet, as the Commission knows, the new era of "deemed lawful" tariffs[20] has created a heretofore unparalleled need for comprehensive tariff filings to ensure meaningful pre-effective review — now the *only* means to protect customers against unjustified rates filed under streamlined practices.

For special access, NECA's rate development methodology is particularly difficult to penetrate. NECA fails to provide the raw data or include the underlying work papers and spreadsheets used to compute the projected revenue requirements on which its special access rates are based. In its tariff filing, NECA explains that to forecast special access revenue requirements, it used a linear regression trend for the model time period that best predicted "historical cost study data for 2003 for the consistent sample companies."[21] Applying that linear trend, however, NECA adjusted the company-supplied revenue requirement data *upward by $91 million,*[22] explaining only that "historically company supplied special access revenue requirements have been significantly underforecasted."[23] NECA failed to provide adequate information in its filing to permit an evaluation of whether that $91 million adjustment – compared to a $10 million downward adjustment for local switching and a mere $4 million downward adjustment for local transport[24] – is justified or unjustified.

[20] *See ACS v. FCC*, 290 F.3d 403 (D.C. Cir. 2002).

[21] NECA 2005 Annual Access Tariff Filing, Volume 2 at 13; *see also* Volume 2, Exhibit 5.

[22] *See id.* at 14 (Table 2).

[23] *Id.* at 14-15.

[24] *See id.* at 14 (Table 2).

Finding NECA's tariff filing deficient on this point, GCI sought additional background information from NECA on its methodology for calculating the special access revenue requirement and making the sizable $ 91 million adjustment, and NECA made its staff available for an hour long conference call and provided an additional spreadsheet. GCI appreciates NECA's willingness to discuss its special access projection and its effort to provide a spreadsheet with additional underlying information. But even the additional spreadsheet provides only cursory information that does not allow GCI or the Commission to fully track and evaluate the methodology for the adjustments. Moreover, it remains unclear whether NECA's linear modeling is appropriate or whether other non-linear approaches would yield a more accurate estimate. In particular, it may not be reasonable to project the 2005-2006 revenue requirement based on the best linear fit for 2002-2003 special access revenue requirement growth, especially if investment (for example, in DSL) is being incurred intensively over a limited period of time. Given the constraints under which such streamlined tariff filings must be reviewed, it is imperative that NECA's filings contain sufficient detail.

Because the lack of sufficient background data on special access precludes such meaningful review, the Commission should suspend and investigate NECA's tariff with respect to special access to permit the Commission to investigate further the basis for the $91 million linear upward adjustment in the special access revenue requirement. In any designation order, the Commission should direct NECA to provide historical special access revenue requirements for 1999 – 2003 for each of the pool companies, identifying those that NECA has categorized as "consistent companies."[25] In addition to that raw data, NECA should be required to provide all

[25] To the extent that NECA has confidentiality concerns about disclosing company names and the Commission agrees that such information is subject to confidential treatment under rule 0.457, 47 C.F.R. § 0.457, it can simply redact identifying information. However, GCI questions

of the supporting spreadsheets or workpapers it used to come up with the special access revenue requirement forecast, including identifying how NECA calculated the $91 million upward adjustment and how those trends were then assembled into the final trend forecast. There is no reason why this type of information should not be routinely provided as part of the materials supporting NECA's tariff.

---

the extent to which confidentiality would be warranted for TRP-level data for a particular company simply because a company files as part of the NECA pool rather than filing on its own. If a company filed its own tariff, such data and the identification of the filing company would be public. Companies should not be entitled to greater confidentiality protection because they file as part of NECA.

CONCLUSION

Based on the foregoing, NECA Transmittal 1070 raises substantial questions of lawfulness with respect to switched traffic sensitive and special access services, and the Commission should suspend and investigate the tariff for those categories.

Respectfully submitted,

By: /s/____________________
John T. Nakahata
HARRIS, WILTSHIRE & GRANNIS LLP
1200 Eighteenth Street, N.W.
Washington, DC 20036
(202) 730-1300

Counsel for General Communication, Inc.

Tina Pidgeon
Vice-President –
Federal Regulatory Affairs
GENERAL COMMUNICATION, INC.
1130 17th Street, N.W., Suite 410
Washington, DC 20036
(202) 457-8812

Dated: June 23, 2005

EXHIBIT 1

NECA
80 South Jefferson Road
Whippany, NJ 07981

Patricia A. Chirico
Executive Director
Tariffs, Rates, Costs & Average Schedules

Voice: 973-884-8087
Fax: 973-884-8469
E-mail: pchiric@neca.org

June 15, 2005

RECEIVED
JUN 15 2005
Federal Communications Commission
Office of Secretary

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

RE: MOU DATA/SUMMARY OF NECA TOTAL POOL RESULTS

Dear Ms. Dortch:

Enclosed is an original and five copies of historic interstate minutes of use (MOU) for the last three quarters of 2004 and the first quarter of 2005. The report displays company reported MOUs for non-NECA Common Line tariff participants and derived or reported MOUs for carriers participating in NECA's Common Line Pool from April 2004 through March 2005. In addition to this paper report, an electronic spreadsheet version of the report is enclosed.

Also enclosed are originals and five copies of each of the monthly summaries of pool results for first quarter 2005.

NECA checks the data and informs companies of any inconsistencies with previous reported numbers.

If there are any questions, please do not hesitate to call Victor Glass on (973) 884-8263. NECA's next MOU/Pooling filing is scheduled for September 15, 2005 and will include data for second quarter 2005.

Sincerely,

Enclosures

Cc: Service list

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

JUNE 2005 SUPPLEMENTAL REPORT OF ACCESS MINUTES

SAR-ID	SAR-ABBR	TIER	04/01/2004 To 06/30/2004	07/01/2004 To 09/30/2004	10/01/2004 To 12/31/2004	01/01/2005 To 03/31/2005
105111	VERIZON MAINE	1	425,788,315	457,079,887	413,561,910	393,194,478
115112	VERIZON MASS.	1	2,436,455,512	2,389,081,375	2,324,715,581	2,276,450,853
125113	VERIZON NEWHAMPSHIRE	1	597,275,584	577,247,865	545,268,954	538,694,338
135200	SOUTHERN NEW ENGLAND	1	1,934,729,933	1,907,508,380	1,905,993,057	1,924,246,476
145115	VERIZON VERMONT	1	287,589,323	293,397,841	284,613,632	289,741,986
150121	FRONTIER-ROCHESTER	1	283,441,155	296,124,923	280,532,468	277,328,115
154532	CITIZENS-FRONTIER-NY	1	160,682,064	223,956,511	168,217,909	172,426,829
154533	CITIZENS-FRONTIER-NY	1	11,217,203	14,156,082	11,396,281	11,290,015
154534	CITIZENS-FRONTIER-NY	1	17,419,079	25,184,022	18,313,770	18,403,476
155130	VERIZON NEW YORK	1	5,116,886,926	4,926,372,478	4,820,088,986	4,800,496,064
160138	UNITED TEL - NJ, INC	1	166,617,731	171,169,648	167,276,301	167,976,180
165120	VERIZON NEW JERSEY	1	3,772,130,032	3,656,776,187	3,523,146,490	3,332,852,638
170169	VERIZON NORTH-PA	1	317,629,497	301,586,415	311,383,089	304,293,048
170170	VERIZON N-PA(CONTEL)	1	35,284,349	36,048,626	43,119,532	41,869,686
170201	VERIZON N-PA(QUAKER)	1	40,041,158	32,469,119	35,125,249	34,446,880
170209	UTC OF PENNSYLVANIA	1	264,451,474	253,673,818	251,179,181	257,422,990
175000	VERIZON PENNSYLVANIA	1	3,135,000,757	3,051,151,643	3,020,382,382	2,841,519,614
185030	VERIZON MARYLAND INC	1	2,527,628,814	2,506,986,050	2,447,586,195	2,369,325,581
190233	VERIZON S-VA(CONTEL)	1	535,665,539	526,680,663	528,660,594	518,483,581
190479	VERIZON SOUTH-VA	1	30,687,843	32,698,442	35,346,407	36,573,274
190567	UNITED INTER-MT-VA	1	84,940,332	81,507,717	75,594,020	76,245,239
195040	VERIZON VIRGINIA INC	1	2,291,349,341	2,165,843,732	2,202,820,850	2,093,915,001
205050	VERIZON W VA INC.	1	684,843,535	670,286,151	664,670,692	659,342,682
210328	VERIZON FLORIDA	1	1,772,326,749	1,778,141,391	1,713,343,169	1,800,387,134
210341	SPRINT-FLORIDA, INC.	1	1,635,499,963	1,642,196,798	1,628,219,953	1,722,861,158
215191	SOUTHERN BELL-FL	1	4,139,709,171	4,139,096,975	4,106,311,498	4,094,522,492
223037	ALLTEL GEORGIA COMM.	1	229,692,153	235,236,977	226,820,578	228,680,730
225192	SOUTHERN BELL-GA	1	2,704,955,969	2,718,972,120	2,644,059,997	2,532,500,958
230470	CAROLINA TEL & TEL	1	909,408,202	946,834,599	879,882,772	927,014,056
230479	VERIZON SOUTH-NC	1	173,907,850	165,395,664	153,615,152	151,159,111
230509	VERIZON S-NC(CONTEL)	1	111,315,540	129,577,653	113,730,830	107,046,111
235193	SOUTHERN BELL-NC	1	1,493,400,425	1,482,503,076	1,423,950,865	1,373,934,349
240479	VERIZON SOUTH-SC	1	136,331,538	149,010,655	125,809,681	126,414,295
240526	VERIZON S-SC(CONTEL)	1	20,989,481	22,530,984	20,582,070	20,121,179
245194	SOUTHERN BELL-SC	1	963,744,545	978,513,740	936,188,276	915,789,244
255181	SO CENTRAL BELL-AL	1	1,155,351,160	1,166,919,906	1,133,883,244	1,102,314,844
265061	CINCINNATI BELL-KY	1	110,738,227	109,565,759	107,749,818	109,042,384
265182	SO CENTRAL BELL-KY	1	711,670,422	699,693,309	689,192,077	681,532,536
269690	KY ALLTEL-LEXINGTON	1	309,560,081	305,179,569	298,388,497	297,567,264
269691	KY ALLTEL-LONDON	1	71,210,626	73,325,645	72,059,940	72,524,292
275183	SO CENTRAL BELL-LA	1	1,270,951,597	1,283,439,474	1,231,132,040	1,178,171,681
285184	SO CENTRAL BELL-MS	1	961,225,790	986,990,268	954,772,143	916,718,202
290567	UNITED INTER-MT-TN	1	168,836,791	162,493,923	152,351,828	156,948,584
295185	SO. CENTRAL BELL -TN	1	1,561,976,024	1,556,378,256	1,493,047,544	1,447,836,275
300615	VERIZON NORTH-OH	1	521,617,451	505,925,719	490,557,040	488,505,896
300661	UTC OF OHIO	1	383,526,564	369,120,746	362,811,530	375,955,494

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

JUNE 2005 SUPPLEMENTAL REPORT OF ACCESS MINUTES

SAR-ID	SAR-ABBR	TIER	04/01/2004 To 06/30/2004	07/01/2004 To 09/30/2004	10/01/2004 To 12/31/2004	01/01/2005 To 03/31/2005
305062	CINCINNATI BELL-OH	1	431,603,846	438,701,268	447,500,952	438,055,989
305150	OHIO BELL TEL CO	1	1,641,702,047	1,805,481,055	1,805,952,005	1,818,068,593
310695	VERIZON NORTH-MI	1	398,299,323	413,470,837	389,411,109	386,377,304
313033	VERIZON N-MI(ALLTEL)	1	35,012,190	35,746,945	33,425,294	34,440,200
315090	MICHIGAN BELL TEL CO	1	1,964,152,135	1,990,954,507	1,993,694,156	1,991,396,591
320772	VERIZON N-IN	1	504,127,560	507,075,091	489,396,486	486,637,469
320779	VERIZON N-IN(CONTEL)	1	125,999,991	123,373,891	115,576,455	125,604,462
320832	UTC OF INDIANA	1	182,819,199	183,794,546	178,601,978	181,455,600
323034	VERIZON N-IN(ALLTEL)	1	5,651,782	5,551,257	5,370,694	5,503,683
325080	INDIANA BELL TEL CO	1	1,120,894,379	1,134,900,863	1,120,312,576	1,124,741,855
330886	VERIZON NORTH-WI	1	226,161,666	243,362,911	243,549,573	224,038,407
335220	WISCONSIN BELL	1	964,992,823	963,540,312	961,780,355	977,617,519
341015	VERIZON NORTH-IL	1	375,412,365	389,741,366	378,666,893	368,324,962
341036	VERIZON N-IL(CONTEL)	1	77,285,705	78,804,812	76,449,223	76,167,404
343035	VERIZON S-IL(ALLTEL)	1	20,315,174	19,419,647	19,266,745	19,466,541
345070	ILLINOIS BELL TEL CO	1	3,429,059,741	3,419,621,598	3,406,170,922	3,419,355,801
355141	QWEST CORP-IA	1	651,499,238	629,691,215	634,800,406	628,455,994
365142	QWEST CORP-MN	1	1,142,809,003	1,103,216,189	1,076,916,299	1,073,287,501
367123	CITIZENS-FRONTIER-MN	1	2,294,268	2,118,448	1,715,267	1,579,029
371568	ALLTEL NEBRASKA, INC	1	173,619,131	169,162,592	169,514,229	167,975,635
375143	QWEST CORP-NE	1	288,128,799	282,460,009	275,985,383	261,792,521
385144	QWEST CORP-ND	1	120,767,485	114,672,740	114,988,287	113,076,505
395145	QWEST CORP-SD	1	154,149,945	148,010,223	142,153,433	136,648,862
405211	SOUTHWESTERN BELL-AR	1	708,814,604	696,780,679	652,043,547	657,909,582
415214	SOUTHWESTERN BELL-KS	1	830,615,295	794,718,822	730,822,033	730,046,572
425213	SOUTHWESTERN BELL-MO	1	1,604,268,800	1,557,496,100	1,463,804,384	1,467,416,766
429784	CENTURYTEL-MO CEN	1	63,170,153	61,967,946	60,976,592	61,677,598
429785	CENTURYTEL-MO BELLE	1	2,645,424	2,577,868	2,539,988	2,604,585
429786	CENTURYTEL-MO SOUTH	1	19,244,890	19,319,996	18,720,339	19,638,992
429787	CENTURYTEL-MO SW	1	164,859,566	168,016,194	159,036,924	162,132,016
435215	SOUTHWESTERN BELL-OK	1	1,061,445,198	1,028,889,174	962,497,798	949,790,607
442080	GTE SW VERIZON-TX	1	873,587,707	873,992,751	841,285,483	810,261,616
442154	GTE-SW VERIZON-TX	1	56,037,549	59,447,321	55,642,114	47,897,513
445216	SOUTHWESTERN BELL-TX	1	4,956,073,995	4,839,624,510	4,366,801,928	4,350,472,711
452302	VERIZON CALIF-AZ	1	8,190,657	8,056,407	7,941,806	8,886,712
455101	QWEST CORP-AZ	1	1,855,797,405	1,735,630,922	1,741,589,884	1,810,001,465
465102	QWEST CORP-CO	1	1,921,887,951	1,897,209,270	1,869,640,347	1,842,624,333
472416	VERIZON N'WEST-ID	1	119,390,768	121,499,727	118,317,892	116,377,817
475103	QWEST CORP-ID	1	398,333,021	389,022,456	391,081,856	387,592,125
475162	QWEST CORP-IDAHO	1	25,243,469	25,151,812	25,283,915	30,873,737
485104	QWEST CORP-MT	1	299,550,584	293,910,694	286,357,868	282,260,699
495105	QWEST CORP-NM	1	679,843,912	666,417,880	651,465,611	640,013,148
505107	QWEST CORP-UT	1	694,693,789	669,374,233	662,390,749	662,438,452
515108	QWEST CORP-WY	1	214,710,710	221,524,443	211,296,270	210,766,385
522416	VERIZON N'WEST-WA	1	495,218,092	494,238,512	477,715,053	480,799,896
522449	VERIZON N'WEST-WA	1	49,423,554	50,963,759	50,665,024	50,290,043
525161	QWEST CORP-WA	1	1,534,805,685	1,496,326,269	1,473,738,594	1,456,039,527

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

JUNE 2005 SUPPLEMENTAL REPORT OF ACCESS MINUTES

SAR-ID	SAR-ABBR	TIER	04/01/2004 To 06/30/2004	07/01/2004 To 09/30/2004	10/01/2004 To 12/31/2004	01/01/2005 To 03/31/2005
532416	VERIZON N'WEST-OR	1	310,353,006	301,400,627	292,914,762	296,953,342
535163	QWEST CORP-OR	1	889,263,859	864,310,108	839,583,001	833,938,606
542302	VERIZON CA(CONTEL)	1	230,074,624	225,741,834	216,063,207	215,851,553
542319	VERIZON-CA (GTE)	1	1,949,031,354	1,861,120,569	1,795,624,918	1,785,045,571
542344	VERIZON W-COAST-CA	1	8,915,779	9,308,796	9,283,626	9,523,583
545170	PACIFIC BELL	1	8,262,116,423	7,996,507,371	7,585,021,941	7,531,456,054
552302	VERIZON CALIF-NV	1	40,641,709	42,977,453	39,306,360	39,467,886
552348	CENTEL OF NV	1	1,059,425,235	1,029,335,799	996,971,627	838,736,093
555173	NEVADA BELL	1	322,183,334	320,670,817	318,830,619	320,806,871
565010	VERIZON DELAWARE INC	1	428,762,556	431,106,049	412,768,944	391,531,896
575020	VERIZON WA, DC INC.	1	583,557,478	568,543,608	554,035,743	523,996,070
585114	VERIZON RHODE ISLAND	1	342,263,278	323,362,119	302,735,697	293,035,806
623100	VERIZON HAWAII-HI	1	410,364,099	396,948,763	386,499,239	389,753,525
633200	PRTC - CENTRAL	1	79,560,529	81,275,855	77,247,111	69,110,625
633201	PUERTO RICO TEL CO	1	725,043,523	749,564,844	749,686,940	702,408,867
	NON-TIER 1		11,074,650,012	11,370,070,944	11,021,485,730	11,192,395,782
	Total Tier 1		**94,991,869,174**	**93,781,235,460**	**90,976,882,526**	**89,804,584,965**
	Total Industry		**106,066,519,186**	**105,151,306,404**	**101,998,368,256**	**100,996,980,747**

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING January 31, 2005
REPORTED AS OF March 2005

TRAFFIC SENSITIVE (TS) (Note 1)	Current Month	2005 Pool YTD (NOTE 2)
TS Earned Revenue	69,869,553	69,869,553
Local Switching Support	25,848,029	25,848,029
TS Net Realized Uncollectibles	105,191	105,191
TS Net Earned Revenue	95,612,391	95,612,391
Total Traffic Sensitive Revenues	95,612,391	95,612,391
NECA Administrative Costs	1,252,436	1,252,436
Average Schedule Company Settlements	30,330,658	30,330,658
TS Expenses & Other Taxes	45,221,303	45,221,303
TS Adjusted Federal Income Tax	4,226,291	4,226,291
Total Traffic Sensitive Expenses	81,030,688	81,030,688
TS Residue For Distribution (Note 3)	14,581,703	14,581,703
TS Net Investment	1,105,053,375	92,087,781
Annualized Traffic Sensitive Residue Ratio (Note 4)	15.83%	15.83%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 2005 Pool Year is the period beginning January 1, 2005 through December 31, 2005. The Net Investment is an average of the cumulative months reported.

Note 3: Residue for Distribution is Total Revenues less Total Expenses.

Note 4: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of Net Investment and multiplying by 12 months x 100. The Pool YTD is computed by dividing the YTD Residue for Distribution by the YTD sum of the monthly Net Investment amounts, divided by 12.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING February 28, 2005
REPORTED AS OF April 2005

TRAFFIC SENSITIVE (TS) (Note 1)	Current Month	2005 Pool YTD (NOTE 2)
TS Earned Revenue	70,176,502	140,592,653
Local Switching Support	25,848,029	51,696,058
TS Net Realized Uncollectibles	40,622	143,006
TS Net Earned Revenue	95,983,909	192,145,705
Total Traffic Sensitive Revenues	95,983,909	192,145,705
NECA Administrative Costs	1,353,012	2,605,448
Average Schedule Company Settlements	30,338,527	60,863,510
TS Expenses & Other Taxes	45,271,640	90,623,884
TS Adjusted Federal Income Tax	4,271,821	8,548,269
Total Traffic Sensitive Expenses	81,235,000	162,641,111
TS Residue For Distribution (Note 3)	14,748,909	29,504,594
TS Net Investment	1,107,127,414	184,592,112
Annualized Traffic Sensitive Residue Ratio (Note 4)	15.99%	15.98%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 2005 Pool Year is the period beginning January 1, 2005 through December 31, 2005. The Net Investment is an average of the cumulative months reported.

Note 3: Residue for Distribution is Total Revenues less Total Expenses.

Note 4: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of Net Investment and multiplying by 12 months x 100. The Pool YTD is computed by dividing the YTD Residue for Distribution by the YTD sum of the monthly Net Investment amounts, divided by 12.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING March 31, 2005
REPORTED AS OF May 2005

TRAFFIC SENSITIVE (TS) (Note 1)	Current Month	2005 Pool YTD (NOTE 2)
TS Earned Revenue	70,295,978	211,359,794
Local Switching Support	25,848,029	77,544,087
TS Net Realized Uncollectibles	42,826	187,204
TS Net Earned Revenue	96,101,181	288,716,677
Total Traffic Sensitive Revenues	96,101,181	288,716,677
NECA Administrative Costs	1,317,021	3,922,469
Average Schedule Company Settlements	30,101,559	91,112,229
TS Expenses & Other Taxes	45,479,219	136,383,928
TS Adjusted Federal Income Tax	4,360,557	12,933,371
Total Traffic Sensitive Expenses	81,258,356	244,351,997
TS Residue For Distribution (Note 3)	14,842,825	44,364,680
TS Net Investment	1,114,754,563	277,452,207
Annualized Traffic Sensitive Residue Ratio (Note 4)	15.98%	15.99%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 2005 Pool Year is the period beginning January 1, 2005 through December 31, 2005. The Net Investment is an average of the cumulative months reported.

Note 3: Residue for Distribution is Total Revenues less Total Expenses.

Note 4: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of Net Investment and multiplying by 12 months x 100. The Pool YTD is computed by dividing the YTD Residue for Distribution by the YTD sum of the monthly Net Investment amounts, divided by 12.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING January 31, 2005
REPORTED AS OF March 2005

COMMON LINE (CL) (NOTE 1)	Current Month	2005 Pool YTD (NOTE 2)
Carrier Common Line (CCL) Earned Revenues		
Premium	0	0
Non-Premium	0	0
Special Access Surcharge	10,725,770	10,725,770
CCL Net Realized Uncollectibles	374,754	374,754
CCL Net Earned Revenue	10,351,016	10,351,016
End User Net Earned Revenue (Note 3)	80,977,577	80,977,577
Total Common Line Net Earned Revenues	91,328,593	91,328,593
ICLS	75,542,302	75,542,302
Long Term Support	0	0
Total Common Line Revenues	166,870,895	166,870,895
NECA Administrative Costs	2,092,836	2,092,836
Average Schedule Company Settlements	31,302,384	31,302,384
Common Line Expenses & Other Taxes	104,287,857	104,287,857
Common Line Adjusted Federal Income Tax	6,766,777	6,766,777
Total Common Line Expenses	144,449,854	144,449,854
Common Line Residue For Distribution (Note 4)	22,421,041	22,421,041
Common Line Net Investment	2,238,784,237	186,565,353
Annualized Common Line Residue Ratio (Note 5)	12.02%	12.02%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 2005 Pool Year is the period beginning January 1, 2005 through December 31, 2005. The Net Investment is an average of the cumulative months reported.

Note 3: Amount includes End User SLC Waiver Revenue for NECA Tariff participants.

Note 4: Residue for Distribution is Total Revenues less Total Expenses.

Note 5: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of Net Investment and multiplying by 12 months x 100. The Pool YTD is computed by dividing the YTD Residue for Distribution by the YTD sum of the monthly Net Investment amounts, divided by 12, as shown in the table above.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING February 28, 2005
REPORTED AS OF April 2005

COMMON LINE (CL) (NOTE 1)	Current Month	2005 Pool YTD (NOTE 2)
Carrier Common Line (CCL) Earned Revenues		
Premium	0	0
Non-Premium	0	0
Special Access Surcharge	11,038,648	21,822,764
CCL Net Realized Uncollectibles	367,167	751,595
CCL Net Earned Revenue	10,671,481	21,071,169
End User Net Earned Revenue (Note 3)	80,817,424	161,630,965
Total Common Line Net Earned Revenues	91,488,905	182,702,134
ICLS	75,542,302	151,084,604
Long Term Support	0	0
Total Common Line Revenues	167,031,207	333,786,738
NECA Administrative Costs	2,260,899	4,353,735
Average Schedule Company Settlements	30,957,705	61,896,216
Common Line Expenses & Other Taxes	105,864,932	211,810,393
Common Line Adjusted Federal Income Tax	6,448,019	12,850,802
Total Common Line Expenses	145,531,555	290,911,146
Common Line Residue For Distribution (Note 4)	21,499,652	42,875,592
Common Line Net Investment	2,230,730,798	371,796,073
Annualized Common Line Residue Ratio (Note 5)	11.57%	11.53%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 2005 Pool Year is the period beginning January 1, 2005 through December 31, 2005. The Net Investment is an average of the cumulative months reported.

Note 3: Amount includes End User SLC Waiver Revenue for NECA Tariff participants.

Note 4: Residue for Distribution is Total Revenues less Total Expenses.

Note 5: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of Net Investment and multiplying by 12 months x 100. The Pool YTD is computed by dividing the YTD Residue for Distribution by the YTD sum of the monthly Net Investment amounts, divided by 12, as shown in the table above.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING March 31, 2005
REPORTED AS OF May 2005

COMMON LINE (CL) (NOTE 1)	Current Month	2005 Pool YTD (NOTE 2)
Carrier Common Line (CCL) Earned Revenues		
Premium	0	0
Non-Premium	0	0
Special Access Surcharge	11,145,493	33,056,115
CCL Net Realized Uncollectibles	329,049	1,088,351
CCL Net Earned Revenue	10,816,444	31,967,764
End User Net Earned Revenue (Note 3)	80,881,073	242,463,767
Total Common Line Net Earned Revenues	91,697,517	274,431,531
ICLS	75,542,305	226,626,909
Long Term Support	0	0
Total Common Line Revenues	167,239,822	501,058,440
NECA Administrative Costs	2,200,756	6,554,491
Average Schedule Company Settlements	30,734,188	92,583,937
Common Line Expenses & Other Taxes	106,146,266	318,233,106
Common Line Adjusted Federal Income Tax	6,545,763	19,344,295
Total Common Line Expenses	145,626,973	436,715,829
Common Line Residue For Distribution (Note 4)	21,612,849	64,342,611
Common Line Net Investment	2,232,319,282	557,846,385
Annualized Common Line Residue Ratio (Note 5)	11.62%	11.53%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 2005 Pool Year is the period beginning January 1, 2005 through December 31, 2005. The Net Investment is an average of the cumulative months reported.

Note 3: Amount includes End User SLC Waiver Revenue for NECA Tariff participants.

Note 4: Residue for Distribution is Total Revenues less Total Expenses.

Note 5: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of Net Investment and multiplying by 12 months x 100. The Pool YTD is computed by dividing the YTD Residue for Distribution by the YTD sum of the monthly Net Investment amounts, divided by 12, as shown in the table above.

CERTIFICATE OF SERVICE

I, Stephanie Weiner, hereby certify that a copy of the foregoing Petition of GCI to Suspend and Investigate was delivered by email, unless otherwise indicated, on the 23th day of June, 2005, to the following parties:

Tamara Preiss
Division Chief
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Bureau
445 12th Street, S.W., 5-A223
Washington, D.C. 20554

Bill Cook
Director, Access Tariffs & Planning
National Exchange Carrier Association
80 South Jefferson Road
Whippany, New Jersey 07981
BY FAX: (973) 884-8082

Judy Nitsche
Assistant Division Chief
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Bureau
445 12th Street, S.W., 5-A223
Washington, D.C. 20554

Judith L. Harris
Reed Smith LLP
1301 K Street, N.W.
Suite 1100 - East Tower
Washington, D.C., 20005

Raj Hannan
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Bureau
445 12th Street, S.W., 5-A223

Best Copy and Printing, Inc., (BCPI)
Portals II
445 12th Street, SW
Room CY-B402
Washington, DC 20554

By: Stephanie Weiner
Stephanie Weiner