

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

In the matter of

July 1, 2005 Annual Access Tariff Filings

WCB/Pricing 05-22

**Opposition of the Telephone Utilities Exchange Carrier Association
to the Petition of AT&T Corp.**

The Telephone Utilities Exchange Carrier Association (“TUECA”), by its attorneys, hereby opposes the petition of AT&T Corp. to suspend and investigate its June 16, 2005 tariff filing. TUECA’s June 16 tariff filing did not revise any rates, terms, or conditions of service contained in TUECA’s tariff. Rather, the purpose of the filing was to add CenturyTel of Monroe County, LLC and CenturyTel of San Marcos, Inc. to the TUECA tariff concurrently with those companies’ withdrawal from the NECA traffic-sensitive tariff. AT&T’s petition raises no substantial question of lawfulness of this tariff filing, let alone demonstrating that “there is a high probability the tariff would be found unlawful after investigation.” *See* 47 C.F.R. § 1.773. Rather, AT&T inexplicably challenges a substantial overall access rate reduction that TUECA estimates will *benefit* AT&T by over \$600,000 per year.¹ The Commission should reject AT&T’s petition.

The heart of AT&T’s opposition is that TUECA failed to provide cost support for its tariff filing. Yet no Commission rule requires cost support to be filed with tariff revisions that merely add to the list of issuing carriers in a pool tariff. Section 61.38(b), cited by AT&T, is inapposite. That section requires cost support for “a tariff

¹ Estimate based on historical demand. Before AT&T filed its petition, CenturyTel representatives attempted on numerous occasions to contact AT&T representatives by email and telephone to explain the purpose and effect of the TUECA filing, but these messages went unreturned.

change which affects rates or charges or for a tariff offering a new service.” TUECA’s June 16 filing, in contrast, did not change any rates contained in TUECA’s tariff, but merely added two carriers to the list of issuing carriers participating in the TUECA traffic-sensitive pool. Thus, the governing rule is Section 69.3(e) which requires carriers withdrawing from the NECA traffic-sensitive tariff to provide advance notice to NECA, 49 C.F.R. § 69.3(e)(6), and requires rates contained in TUECA’s tariff to “be computed to reflect the combined investment and expenses of all companies that participate,” 47 C.F.R. § 69.3(e)(4), but does not require cost support for filings that merely augment the group of issuing carriers. Such is the case here.

The rates in a pool tariff reflect the aggregate costs of those companies in the pool, not the cost characteristics of a particular company within the pool. The TUECA rates reflect the cost characteristics of CenturyTel of San Marcos and CenturyTel of Monroe County better than the NECA traffic-sensitive tariff. These companies have long been net contributors to the NECA traffic-sensitive pool and, as a result of their participation in the pool, have been required to charge above-cost rates for most rate elements. Overall, at current volumes, the change to TUECA rates will reduce the annual interstate access revenues of CenturyTel of San Marcos by roughly \$1.5 million and those of CenturyTel of Monroe County by roughly \$1.4 million, substantially reducing the size of these companies’ pool settlement payments.²

AT&T’s petition obscures the fact that TUECA’s filing effects a substantial access rate reduction by these companies. AT&T takes an increase in one rate element charged by one company – the increase in CenturyTel of Monroe County’s

² Despite the withdrawal of these net contributor companies, NECA showed a marked decrease in its traffic sensitive pool rates in its 2005 annual access filing.

premium local switching charge from \$0.005798 to \$0.009278 per minute – out of context. Overall, carrier and end-user customers of CenturyTel of San Marcos and CenturyTel of Monroe County will benefit from a *50 percent reduction* in interstate access revenues, including over \$600,000 in annual savings for AT&T. Aggregate rates for both switched access (including dedicated transport and entrance facilities) and special access will decrease. Under the TUECA tariff, both companies will decrease their DSL rates in particular by roughly 25 percent, responding to consumer demand.³ These rate reductions will directly benefit all ISPs offering broadband services that incorporate CenturyTel DSL and, indirectly, all broadband consumers in the CenturyTel of San Marcos and Monroe County service areas.

Moreover, the addition of these two companies to the TUECA pool will have no material impact on the overall earnings of the TUECA pool because current TUECA companies, overall, generate \$38.9 million in annual interstate access revenue, compared to roughly \$1.7 million for CenturyTel of San Marcos and \$1.3 million for CenturyTel of Monroe County. While the pool's revenues increase, these increased revenues almost precisely offset these companies' combined \$3 million revenue requirement, and therefore will produce no significant impact on the earnings of the pool as a whole.

Although AT&T complains of TUECA's earnings during the 2003-2004 monitoring period, it fails to explain the relevance of those earnings to TUECA's June 16, 2005 filing. In fact, TUECA already made a mid-course correction in its 2004 annual access tariff filing, substantially lowering its interstate access rates effective July 1, 2004.

³ CenturyTel of Monroe County's DSL rates will decrease from \$18.95 per month to \$13.00 per month. CenturyTel of San Marcos has two DSL options, which will decrease from \$18.95 and \$20.95 per month to \$13.00 and \$14.00 per month, respectively.

The effect of those rate reductions cannot be judged based on the preliminary earnings report for the 2003-2004 monitoring period because they were not in effect for the first 18 months of the period in question, but TUECA anticipates that its earnings for the last six months of the monitoring period will be substantially lower than the earnings produced by its rates in effect during the first 18 months. In any event, it is premature to draw any conclusions on TUECA's overall earnings for the 2003-2004 monitoring period; the only possible relevant information from that period would come from TUECA's final earnings report, due to be completed by September 30, 2005.⁴

For the foregoing reasons, TUECA urges the Commission to deny AT&T's petition and to permit TUECA's June 16 tariff revisions to take effect on July 1 as scheduled.

Respectfully submitted,

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⁴ *MCI Telecommunications Corp. v. FCC*, 59 F.3d 1407, 1417 (D.C. Cir. 1995).

Certificate of Service

I, Richard R. Cameron, hereby certify that, on this 27th day of June, 2005,
I caused a copy of the foregoing Opposition of the Telephone Utilities Exchange Carrier
Association to the Petition of AT&T Corp., to be delivered by electronic mail (unless
otherwise specified) to the following:

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