

**DESCRIPTION AND JUSTIFICATION
CONSOLIDATED COMMUNICATIONS COMPANIES (CCC)
CONSISTING OF CONSOLIDATED COMMUNICATIONS OF TEXAS (CCTX)
AND CONSOLIDATED COMMUNICATIONS OF FORT BEND (CCFB)
d/b/a CONSOLIDATED COMMUNICATIONS**

CCC TARIFF FCC No. 1

TRANSMITTAL No.15, JANUARY 16, 2007

DESCRIPTION

The competitive landscape for broadband services has been and is changing rapidly. With the introduction of VOIP services and the growing number of wireless only subscribers, Consolidated Communications (CCC) is experiencing significant access line loss. Many of those customers that have abandoned their land-based voice line, however, continue to require access to high speed data and video services and are requesting ADSL broadband service without the obligation to pay for the local dial tone service. This tariff filing proposes to satisfy this request by offering a Stand Alone ADSL service.

Stand Alone ADSL

Stand Alone ADSL service will allow CCC to offer customers in its' service territory a broadband connection over the local loop without requiring CCC provided local exchange service. This, in turn, will enable the customer to access video and/or internet services should they so choose. Offering this product will, therefore, allow CCC to better compete with other broadband providers offering services within its' territories.

Rate Development

The rate for CCC's new Stand Alone ADSL service was developed using a combination of internal cost analysis and external competitive factors. CCC plans to offer this service at a \$27.00 recurring monthly rate. The nonrecurring installation and service order charges for this service, as with CCC's Speedlink ADSL product, have been set to \$0.00 to make it easier for customers to sign up for ADSL service.

Demand and Revenue Impacts

As a result of this filing, CCC expects to add an estimated 1500 Stand Alone ADSL customers in 2007, as well as retain an additional estimated 406 customers. These forecast numbers would result in new and retained interstate revenues of approximately \$51,000 monthly at the end of 2007. There is no cross-elastic or complementary demand impact expected as a result of this filing.

Unit Costs

This section describes the underlying costs and methodology used to determine the costs for Stand Alone ADSL service. The Engineered, Furnished, and Installed (EF&I) costs per line was determined using a combination of the vendor equipment costs and labor, in conjunction with the quantity of customers served by this equipment.

The unit investments were converted to monthly costs by applying an annual direct cost factor and then dividing by twelve. The costs include maintenance, power, income taxes, depreciation, as well as a cost of money calculation. See Exhibit 1, pages 1-2.

JUSTIFICATION

The Federal Communications Commission has identified a goal of increasing the broadband penetration in the country. This filing intends to do further that goal that for the Company's exchanges. This tariff change responds to our customers' desires for high speed access to data and video without the commitment to have dial tone.