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REGULATORY REVIEW

The Miller Isar, Inc. Regulatory Review is a monthly report designed to provide readers with information regarding regulatory and policy matters that may impact business operations. The Regulatory Review is provided for informational purposes only and does not constitute legal opinion or legal counsel. Comments and suggestions are always welcome.

FEDERAL REGULATORY NEWS

TELEPHONE SUBSCRIBERSHIP REPORT RELEASED

The Commission has released its most recent report on telephone subscribership in the U.S. The report presents subscribership statistics based on the Current Population Survey (CPS) conducted by the Census Bureau in July 2009. The report also shows subscribership levels by state, income level, race, age, household size, and employment status. According to the Report, as of July 2009,

- telephone subscribership penetration rate in the U.S. stood at 95.7%, an increase of 0.3% July 2008. This is the highest reported rate since the CPS began collecting this data in November 1983.
- telephone penetration rate for households in income categories below \$15,000 was at or below 93.3%, while the rate for households in income categories over \$50,000 was at least 98.5%.
- Among the states, the penetration rates ranged from a low of 91.3% to a high of 98.7%.
- The penetration rate for unemployed adults was 94.6%, while the rate for employed adults was 96.7%.

News Release: [Word](#) | [PDF](#)

Report: [PDF](#) | [Text](#)

FEDERAL-STATE UNIVERSAL SERVICE JOINT BOARD STAFF RELEASES MONITORING REPORT

On December 31, 2009, the Federal-State Joint Board on Universal Service released its most recent Monitoring Report on Universal Service. This report reflects information on the telephone industry filed with the Federal Communications Commission (FCC) through August 2009 in nine categories for the year 2008 and prior years, and projections for 2009. According to the report, the federal universal service fund grew to roughly \$7 billion in 2008. In 2008, disbursements among the four categories of universal service mechanisms were: 63.0% for high-cost

support; 24.8% for schools and libraries support; 11.5% for low-income support; and 0.7% for rural health care support. Total industry revenues for telecommunications services provided to end users in 2008 were approximately \$235 billion, compared to \$240 billion in 2007. Revenues for fixed local service providers increased to roughly \$78 billion from \$75 billion; wireless service providers' revenues increased to \$118 billion from about \$116 billion; and toll service provider revenues decreased to about \$39 billion, from about \$49 billion in 2007. The price index of overall telephone rates increased 2.9% in 2008, compared to the general rate of inflation of 0.1% for all goods and services. Interstate toll usage for customers of incumbent local exchange carriers declined to 316 billion minutes in 2008, from 349 billion minutes in 2007. Complaints per million residential access lines in 2008 ranged from 30 to 1118 for different carriers.

News Release: [Word](#) | [Acrobat](#)

Attachments: [[1](#) | [2](#) | [3](#) | [4](#) | [5](#) | [6](#) | [7](#) | [8](#) | [9](#) | [10](#) | [11](#)]

COMMISSION REQUESTS/RECEIVES INITIAL COMMENT ON PSTN TO IP TRANSITION

The Commission has requested comment regarding regulatory issues associated with the transition from circuit-switched networks to Internet Protocol networks. The Commission indicated its specific interest in identifying an appropriate regulatory framework that would facilitate transition to an "all IP world." The Commission further sought to identify and understand those aspects of traditional policy that would continue to protect the public interest under an all IP network world. Comments were due December 21, 2009. (General dockets 09-47, 09-51, and 09-137 NBP Public Notice #25)

Joint comments filed by competitive local exchange carriers Cbeyond, Inc., CompTel, Covad Communications Co., Intrado, Inc./Intrado Communications, Inc., NuVox, and tw telecom, inc., urged the Commission to preserve

interconnection obligations on incumbent carriers. The companies noted that the provisions of the 1996 Telecommunications Act governing interconnection and arbitration were not dependent on any given technology. The carriers noted that the transition between analog and digital networks occurred without any significant change in interconnection policy. The National Telecommunications Cooperative Association (NTCA) sought a transition of high-cost Universal Service Fund support to high-cost broadband support “over a reasonable period of time,” the continuation of rate-of-return regulation and the use of study area average costs for calculating support for rural ILECs during the transition, and allowing rate-of-return carriers to receive high-cost support for stand-alone digital subscriber line (DSL) service during and after the transition. NTCA also noted that local carriers should receive access charge payments for voice-over-IP traffic and that state utility commissions should be allowed to reduce intrastate access charges to the same rate as interstate access charges within five years, during which time interstate access charges should be frozen. The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPATSCO) proposed a series of questions it maintains should be included in a Commission inquiry including time periods for transition and how to maintain full cost recovery for rate-of-return incumbent carrier PSTN investments, a position supported by Metaswitch Networks. The association also urged the Commission to inquire about quality and reliability standards for voice services provided over broadband networks. Metaswitch also urged discussion regarding IP-based voice and video and service standards, interoperability standards, and the continued delivery of public safety services by IP-enabled voice providers.

COMMISSION ANNOUNCES COMMENT PERIOD FOR LOCAL SWITCHING SUPPORT, UNIVERSAL SERVICE PROCEEDINGS

On December 28, 2009, the Commission’s October [Notice of Proposed Rulemaking](#) on proposed changes to Local Switching Support rules was published in the Federal Register, setting the clock for comments and replies. In October, the Commission rejected a Coalition for Equity in Switching Support petition seeking Commission determination that would allow ILECs and eligible telecommunications carriers (ETCs) to increase their universal service local switching support (LSS) in instances of line losses. It did, however, initiate a new rulemaking proceeding to consider modifying regulations to address the effect of line loss on ILECs’ LSS. **Comments are due January 28; replies due February 12.** (WC Docket No. 05-337)

On December 29, 2009, the Federal Register published the Commission’s Notice of Proposed Rulemaking responding to the remand decision of the United States

Court of Appeals for the Tenth Circuit in *Qwest Communications International, Inc. v. FCC*. The Commission seeks comment on certain interim rule changes to address the court’s concerns over the Commission’s rules for providing high cost universal service support to non-rural carriers and changes in the market place. **Comments are due on or before January 28, 2010 and reply comments are due on or before February 12, 2010.** [Public Notice](#) (WC Docket No. 05–337; CC Docket No. 96–45; FCC 09–112)

IN THE COURTS

U.S. SUPREME COURT DECLINES TO REVIEW PORTLAND, OR FRANCHISE FEE DECISION

The U.S. Supreme Court has declined to review a U.S. Court of Appeals for the Ninth Circuit ruling in *Time Warner Telecom LLC v. Portland, Ore.* (Case 09-309) that lets stand a Ninth Circuit’s ruling that the City of Portland, OR may impose franchise fees on broadband internet access services. In April the Ninth Circuit ruled that U.S. District Court for the Oregon District ruled that the City had not erred in establishing that information services provided by Time Warner were to be included in the franchise agreement’s definition of a “telecommunications services” and subject to a five percent gross revenue fee. On December 17, 2009, the City of Portland sent notice to telecommunications and Voice over Internet Protocol providers requesting that providers obtain a Utility License by December 28, 2009, presumably in anticipation of a tax assessment (see below).

D.C. APPEALS COURT UPHOLDS FCC INTERIM USF HIGH COST PAYMENT CAP ON ELIGIBLE TELECOMMUNICATIONS CARRIERS

On December 11, 2009, the U.S. Court of Appeals for the District of Columbia Circuit let stand a May 2009 Commission Order that imposed an interim federal universal service fund high-cost fund payment cap on competitive eligible telecommunications carriers. The Commission had implemented Federal-State Joint Board on Universal Service recommendations to impose a high cost fund cap on competitive eligible telecommunications carriers (CETCs), being sympathetic to claims that consumers were paying more than an 11% surcharge on their interstate phone bills to cover the expanding high-cost fund, which had been exacerbated by a growth in the number of CETCs. According to proponents, wireless service providers who comprise a majority of CETCs receive USF support based not on their own costs but on those of the incumbent provider, which are often higher. They noted that USF payments grew from about \$1.5 million in 2000 to more than \$1 billion in 2007. The Rural Cellular Association, *et al.* and Chinook Wireless

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subsequently filed petitions for review of the Commission's order, arguing, among other things, that the Commission had failed to meet the notice-and-comment requirements of Administrative Procedures Act (APA), the requirements of section 254 of the 1996 Telecommunications Act, and that the Commission acted arbitrarily in imposing the cap. The Court rejected the petitioner's arguments, calling them "somewhat confusing." The court found that the Commission was within its rights when it imposed the same interim cap recommended by the Federal-State Joint Board on Universal Service and adopted in separate related Alltel Corp. and AT&T, Inc. proceedings. Regarding challenges to the FCC's interpretation and application of section 254, the court concluded that the Commission properly sought to sustain USF as part its ruling by reining in what it saw as excessive spending and was within its rights to do so. As to challenges to the FCC's following the APA notice-and-comment requirements, the court found that the Commission properly evaluated the views of the parties in the proceeding and in instances incorporated recommendations. The Court ultimately concluded that "petitioners have failed to demonstrate their high-cost support would actually be insufficient under the interim cap." Rural Cellular Association, et al. v. FCC [Order](#) (case no. 08-1284)

IN CONGRESS

PREPAID CALLING CARD BILL RAISES STATE PREEMPTION – OVERLAPPING FTC AUTHORITY DEBATE

The proposed Calling Card Consumer Protection Act Bill (HR 3993), designed to preclude fraudulent or misleading claims by prepaid calling card companies and support the Federal Trade Commission's ability to enforce the new requirements, has engendered debate over two key provisions; preemption of state oversight and overlapping FTC-FCC enforcement authority. Some members of the of the House Energy and Commerce Committee's subcommittee on commerce, trade, and consumer protection maintain that expanded FTC authority could result in the agency's regulation of common carriers, duplicate FCC oversight, and potentially result in a dual regulation by both agencies over providers. The FTC maintains that this expanded authority is needed to prosecute violators. Others have expressed concern that the bill would allow states to add a myriad of new state-specific regulations with which providers might not be able to comply. They propose amendments that would require a unified set of federal rules, a position opposed by the National Association of State Utility Commissioners.

STATE REGULATORY NEWS

CALIFORNIA – Chong Does Not Get Second Term on CPUC

California Governor Arnold Schwarzenegger's (R) office has been informed by the Democratic leadership of the California Senate that no hearings will be held to confirm California Public Utilities Commissioner and former FCC Commissioner Rachelle Chong for a second term on the Commission. Chong was appointed by Governor Schwarzenegger to serve on the Commission in 2004. She had hoped for a second term. Her current term ends December 31. The Senate leadership is urging appointment of more consumer-oriented Commissioner. Since taking office, Commissioner Chong prepared a draft decision that would have deregulated the four largest incumbent carrier rates, streamlined regulation of larger incumbents, and eliminated several pricing restrictions for the four major carriers. Most recently she drafted an order that would allow incumbent carriers to increase basic service rates and remove basic service regulation for incumbents by 2011, as well as sponsoring a controversial proposal to increase rates for Lifeline telephone service in the state that she championed until consumers pressured her to withdraw the decision. Consumer advocates have charged that Commissioner Chong routinely sided with the incumbents and did not act in the interest of consumers. Governor Schwarzenegger's Office noted that there are more than 100 organizations across California that support her confirmation, suggesting a degree of Senate bias in light of a similar voting record by Commission President Michael Peevey. On December 17, 2009, the Senate confirmed Peevey for a new six-year term. Governor Schwarzenegger has since appointed Chong as special counsel of advanced information and communications technologies for the Office of the State Chief Information Officer

CALIFORNIA – Commission Grants LEC Limited Trouble Reporting Request

On December 7, 2009, the California Public Utilities Commission granted the California Association of Competitive Telecommunications Companies' Petition to Modify Decision 09-07-019 and General Order 133-C by limiting reporting for customer trouble reports to local exchange services provided to residential and small business customers with five or fewer lines. In Decision 09-07-019, the Commission adopted minimum service quality measures and standards and General Order (GO) 133-C, standards of service and minimum telephone service measures, which becomes effective January 1, 2010. One of the adopted measures is customer trouble reports, which measures initial trouble in relation to lines or equipment and is expressed as the number of reports per 100 lines. The standard is six reports per 100 working lines for reporting units with 3,000 or more lines, eight reports per 100 working lines for reporting units with 1,001-2,999 working lines, and 10 reports per 100 working lines for reporting units with 1,000 or fewer working lines. This measure applies to local exchange carriers. On August 12,

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2009, the California Association of Competitive Telecommunications Companies filed a Petition to Modify D.09-07-019 and GO 133-C. to conform the reporting limitation for customer trouble reports to local exchange services provided to small business customers, as adopted for other measures in D.09-07-019. CALTEL urged expanding the small business limitation to customer trouble reports, noting that the goal underlying the revision of the Commission's reporting requirements was simplification. Consistent with that goal, the Commission had granted an exemption from reporting requirements for large business customers for most measures. CALTEL stated that requiring customer trouble reporting for local exchange services provided to all business customers was inconsistent with the Commission's determination that service quality reporting requirements should focus on small businesses. The Commission agreed. There were no opposing parties. ([Decision 02-12-004](#))

COLORADO – Commission Establishes 2010 USF Surcharge

The Colorado Public Utilities Commission has set the 2010 Colorado High Cost Support Mechanism (CHCSM) surcharge at 2.2%. The rate remains unchanged and applies through the first quarter of 2010. The Commission found that the current rate would be sufficient to cover fund costs through the beginning of the year, but may be subject to an increase up to 2.7% in subsequent quarters. (Docket 98M-236T)

CONNECTICUT – Draft Telecom Report Shows CLEC Gains

A draft annual report to the Connecticut legislature on the status of telecommunications services in Connecticut released by the Department of Public Utility Control reveals that competitive local exchange carrier market share has risen two points to 15% in the past year. The findings are consistent with FCC data in other New England states: Maine - +4%, 24% share; Rhode Island +2%, 50% share, New Hampshire - +2%, 25% share; Massachusetts - +1%, 25% share; and Vermont - +1%, 13% share. Nevertheless, CLECs that responded to the Department's request for information noted that CLEC activity is minimal; most electing to serve the commercial market. Among the competitive barriers cited by CLECs are restrictive interconnection agreements, high access rates, and the unfavorable competitive practices. The report also notes a decrease in telecommunications complaints, down to 455 in 2009 from 607 in 2008, as of November 13. Service quality remains the top concern. The Department notes that the decline in complaints may be due in part to use of alternative IP-based or wireless services. (Docket No. 09-01-0409-01-04)

GEORGIA – Industry Remains Opposed to Commission Directory Opt-Out Proposal

Georgia service providers have expressed their opposition to a Public Service Commission proposal that would allow incumbent local exchange carriers to opt-out of state requirements to provide white page directories to customers. Under an October 9, 2009 Commission proposal to amend Rule 515-12-1-.10(3) incumbents would no longer be required to provide residential directories to subscribers, unless requested. Incumbents could opt-out of the directory requirement if able to demonstrate a "reasonable and practical alternative" available for subscribers to access directory information. Incumbents would be required to take "reasonable measures" to transition subscribers to a non-directory system. A November 25 amendment proposal clarified that if a waiver were granted, the incumbent would still be required to provide a printed directory upon request of a customer, "regardless of the local exchange company serving such customers; provided, further, that the petitioning local exchange company and its affiliates will not market services to such requesting customers, and will accept electronic files from competing carriers identifying such requesting customers." Charter Fiberlink Georgia LLC proposed that carriers be able to seek waivers from existing rules on an *ad hoc* basis. Charter noted that because the company and other competitive carriers relied on AT&T to distribute directories, AT&T's decision to opt-out of the requirement could result in subscriber confusion regarding to which carrier a directory request could be made. Cox Georgia Telecom LLC proposed a "warm transfer" where one carrier's subscriber could obtain a directory published and distributed by a competing carrier through the assistance of the customer's carrier. AT&T originally petitioned the Commission for exemption from the directory rule in July. In its comments, AT&T maintained that opposition failed to address the substantive issues behind the request, and urged that the outdated rule be repealed, although suggested that the rule remain in effect for communities of less than 25,000 residents. (Docket No. 30569)

IOWA – Traffic Stimulation Order Amended

The Iowa Utilities Board is amending an order that had directed the North American Numbering Plan Administrator (NANPA) to reclaim telephone numbers from Great Lakes Communications Corp. to now request that the Federal Communications Commission undertake an investigation of numbering resources allocated to the Company "for cause." Under the September 21, 2009 Board order, NANPA was to reclaim incumbent assigned numbers in conjunction with a finding that eight rural incumbent local exchange carriers, including Great Lakes, had violated the terms of their intrastate tariffs through

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arrangements with “free calling service companies” that resulted in inflated access charges billed to Qwest, AT&T, and Sprint. Great Lakes and another rural incumbent carrier, Superior Telephone Cooperative, filed a motion for temporary injunction of the Board’s order with the U.S. District Court for the Northern District of Iowa (Western Division). In the course of its investigation of the allegations against the incumbents, the Board found that Great Lakes was providing service in the Spencer, Iowa, exchange, for which it had no authority to serve, and had assigned numbers to free calling service companies that were not located in Spencer, Iowa, and found to be assigned to non-qualified end users. Qwest filed a motion with the Board stating that while it supports the Board’s reclamation of Great Lake’s numbers, the litigation of issues before the Board, the Court, and the FCC would be cost and time prohibitive. Qwest suggested that in the alternative, the FCC conduct an audit of Great Lakes numbering assignments. The Board agreed, noting that other issues raised in pending motions for reconsideration of the order will be addressed in a future order. (Docket FCU-07-2)

MICHIGAN – Intrastate Access Rate Benchmarking Law Enacted

Michigan Governor Jennifer Granholm (D) has signed legislation into law that limits the rates that telecommunications carriers can charge for intrastate switched access. Local exchange carriers serving less than 250,000 subscribers in the state had formerly been able to set access rates without limitations. The new law now caps facilities-based local exchange carrier intrastate access rates interstate rates. Rates at or below interstate rates are to be presumed “just and reasonable.” Under the new law, Providers other than eligible providers may not charge intrastate toll access service rates in excess of those rates in effect as of July 1, 2009 and are to reduce any differential between intrastate and interstate switched toll access service rates in effect as of July 1, 2009 in no more than 5 steps of at least 20% each of the differential on the following dates: January 1, 2011; January 1, 2012; January 1, 2013; January 1, 2014; and January 1, 2015. Providers may agree to a rate that is less than the rate allowed by the federal government. The restructuring mechanism will be administered by the commission and begin operation within 270 days after the effective date.

OHIO – Telecommunications Deregulation Bill Passes Senate; Late Fee Prohibition Bill Introduced in House

By a 29 to 3 vote Ohio Senate has passed SB 162, a bill intended to eliminate archaic telecommunications requirements and streamline other provisions. SB 162 was written with the assistance of the Ohio Telecom Association and the Public Utilities Commission of Ohio. Yet the Bill and its companion House version, HB 276, have drawn

opposition from public the Office of the Ohio Consumers’ Counsel, Ohio Association of Community Action Agencies, Advocates for Basic Legal Equality, and the Ohio Poverty Law Center, who maintain that the bills will result in higher consumer prices and lower service quality standards.

In the House, a new bill that would prohibit late charges on bills for telephone service, wireless service, and voice-over-Internet-protocol service, has been introduced. HB 392 would preclude the Public Utilities Commission from approving carrier requests to implement changes, increases, or reductions made for telephone service or those seeking establishment of rates if an assessment of any late payment fees were included.

OREGON – RSPF Surcharge Increased, Customer Interest Rate Reduced

On December 4, 2009, the Oregon Public Utilities Commission announced that the State’s Residential Service Protection Fund (RSPF) will increase to \$0.12 per subscriber line up from \$0.09 per subscriber line, effective January 1, 2010. The RSPF is imposed on all local access lines. Counties or political subdivisions, government agencies, regional housing authorities, and Native American Tribal members living on tribal territories are exempt. An amended RSPF Surcharge Remittance Form (FM 751) has been developed by the Commission and is due on or before the 21st calendar day following the close of each monthly or quarterly billing. (Docket No. UM 1180(5), [Order 09-465](#))

The Oregon Public Utilities Commission has determined that it will continue the current maximum 1.5 percent monthly rate which utilities may charge customers on overdue accounts. The Commission also approved a Staff recommendation that the current 1.5 percent annual rate at which utilities must credit customer deposit accounts be changed to 0.5 percent, effective January 1, 2010. (Docket No. UM 779, [Order 09-476](#))

OREGON – City of Portland Requires Utility License

On December 17, 2009, the City of Portland, OR advised providers that “a License is required of all wireline telecommunications companies including VOIP providers and any utility that resells lines or services from Qwest.” The City noted that pursuant Portland City Code 7.14 a license is required every calendar year. A “Utility” is defined as a “business of supplying ... cable, communications, or other services through or associated with telecommunications utility, telephone or coaxial cable, ... and other operations for public service but does not include transportation service, railroad operations...” Current year license applications are due December 28,

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2009. Additional information is available at <http://www.portlandonline.com/auditor/index.cfm?c=28172>

PENNSYLVANIA – Bill Would Preclude Commission Directed Local Rate Decreases

A new bill introduced in the Senate Committee on Consumer Protection and Professional Licensure would prohibit the Public Utilities Commission from requiring a local exchange carrier to reduce its access rates other than on a revenue-neutral basis. SB 1164 would also establish that no person or entity may refuse to pay tariffed intrastate access charges for interexchange access services provided by a local exchange telecom company or an “alternative service provider.”

PENNSYLVANIA – New Rules Adopted to Protect Basic Service Availability In Bundled Service

The Public Utilities Commission has adopted new rules designed to protect residential subscribers’ access to basic local service when bundled with other services. The rules had originally been adopted on March 27, 2009, but drew protest from The Broadband Cable Association of Pennsylvania and Verizon Pennsylvania, Inc., who filed petitions for reconsideration and clarification regarding concerns that the rules would create new regulatory burdens on local exchange carriers. As drafted, the rules would establish procedures for customers to keep basic local service offered as part of a bundled service package if the bundled service was being terminated for nonpayment. Further, the rules also contained language designed to allow for different carrier billing practices of carriers for bundled service and to clarify that past due bill payments were to be prioritized to apply first to basic service. Verizon had argued that rules would undermine carrier billing practices and would require unpaid bundled services to be classified as an unpaid basic local service instead of converting it to a zero-balance basic local service account. The incumbent concluded that the new rules would constitute “burdensome, unnecessary, confusing, and costly billing requirements.” The final rules incorporated several suggested amendments and addressed concerns of Commissioner Kim Pizzingrilli who maintained that the original rules inappropriately place the commission in the position of regulating bundled services, as compared to its mandated regulation of services on an “a la carte” basis. (Docket No. L-00060179)

TEXAS – Carriers Tell Commission it Lacks Authority to Regulate VoIP Services

On December 2, 2009, comments were filed in response to the Texas Commission’s solicitation of industry input regarding the Texas Commission’s authority to adjudicate a

long-standing interconnection dispute between AT&T and VoIP provider UTEX Communications Corp. and its authority over VoIP services generally. The Commission’s investigation followed an FCC denial of a UTEX petition seeking FCC resolution of the dispute and preemption of the Texas Commission authority to act on the dispute after nearly six years of inaction, in October 2009. (See *Regulatory Review* October 31, 2009). In its comments, AT&T cited to the FCC’s Vonage order that had preempted state regulation of nomadic VoIP, in underscoring the Commission’s lack of jurisdiction – a position shared by UTEX and the Voice on the Net (VON) Coalition among others. AT&T further stressed that VoIP remained an unregulated information service. The Texas Statewide Telephone Cooperative maintained that in that VoIP services are “identical in character, function, and service to those being provided by regulated telecommunications,” and concluded that the Commission should assert jurisdiction over VoIP services. CenturyLink argued that because of the FCC’s failure to act on the matter of VoIP regulatory jurisdiction had lead to providers taking advantage of regulatory uncertainty to take market share away from incumbents. The Company stated that the states must address the “inequities” between competing regulated and unregulated providers that have developed. The incumbent maintained that state regulatory preemption of VoIP services is no longer warranted. Verizon maintained that the Commission’s investigation into VoIP regulation should be dismissed, also relying on the Vonage order’s federal regulatory preemption of state authority over VoIP services. Several parties maintained that the Commission need not address the matter of VoIP regulation to resolve the AT&T and UTEX dispute. The Commission subsequently “unabated” the dispute proceeding and ruled in favor of AT&T by ordering UTEX to pay \$3.8M in disputed access charges to AT&T. The Commission further concluded that “VoIP per se is not an enhanced service as defined in the parties’ ICA.” (Docket 33323). A separate rulemaking proceeding to address VoIP regulation is still scheduled for January 22, 2010. (Docket 37614)

TEXAS – Utility Interest Rates Set

The Texas Public Utilities Commission has set interest rates to be paid by telecommunications and electric service providers on subscriber deposits and over or under billings in 2010 at 0.34% and 0.61%, respectively. The deposit rate is based on the average yield on 26-week Treasury bills during the past 12 months; the over and under billing rate is based on the 90-day prime commercial paper rate over the last 12 months. (Docket 36535)

WISCONSIN – Commission Adopts USF Rules

The Public Service Commission has adopted amendments to the State’s universal service fund rule. Among the

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amendments are several clarifications including how the Lifeline adjustment is determined for providers, establishment of the process for commercial mobile radio service providers to be designated as eligible telecommunications carriers consistent with FCC guidelines, and a clarification that “basic/essential service” is to include data transmission services. The rules further establish minimum data transmission speeds for “basic/essential” data transmission service” service uploads speeds at 250 kbps for and 750 kbps for download speeds. The new rules require half of a provider’s customers to have access to minimal data transmission within a year from the effective date, 70% within two years, and 80% within three years. Companies may apply for waivers from the data transmission speed requirement where applicants can prove that it would be unprofitable to meet the requirements. Additionally, the new rule makes time-of-day rate discount schedules optional and allows providers to be reimbursed for the discount under certain conditions. Several amendments pertained specifically to subscriber reimbursements under the Link-Up program and allowing Commission establishment of multiple – rather than single - year USF funded projects. The Commission’s order also opens an investigation into whether or not to repeal waivers from the state’s eligible telecommunication carrier (ETC) obligations granted to wireless providers. The new USF rules were released as part of its biennial review of existing rules. (Docket 1-AC-198)

REPORTS DUE IN JANUARY

The following report listing has been compiled from past reporting requirements and is provided exclusively for informational purposes. Reporting requirements are subject to change and should be verified by filers

Due Date	Jurisdiction	Report Name
January	Alaska	Access Minutes Report
January	Alaska	Carrier and Area Specific Bulk Billed Report
January	Missouri	Relay Missouri Statement
January	Rhode Island	Telecommunication Education Access Fund
January	Rhode Island	Telecommunications Relay Service Report
January 1	Idaho	ID Universal Service Fund Form
January 1	Michigan	Operator Service Provider Registration
January 9	California	Combined California PUC Telephone Surcharge Transmittal
January 10	Alaska	Alaska Telecommunications Relay Services Fund - Remittance of Surcharges Collected
January 10	Arizona	Estimated Gross Operating Revenue Report

Due Date	Jurisdiction	Report Name
January 10	Arkansas	State of Arkansas Universal Service Fund
January 10	California	Employee Compensation, Dues, and Subscriptions
January 10	Georgia	Local Service Indicators Data Requests
January 10	New York	Service Quality Performance
January 15	Alabama	Revised Survey of Competitive Local Exchange Carriers
January 15	California	Annual Fee Statement for CPUC Utilities Reimbursement Account
January 15	California	Quarterly Fee Statement for CPUC Utilities Reimbursement Account
January 15	Florida	Florida Telecommunications Relay, Inc. (FTRI) Monthly Surcharge Collection Report
January 15	Georgia	Georgia Telecommunications Relay Service (TRS) Monthly Surcharge Collection Report
January 15	Georgia	Revised Universal Access Fund Quarterly Deposit Report
January 15	Kansas	Kansas Universal Service Fund 2004/2005 Wireless and Wireline Carrier Remittance Worksheet
January 15	Kentucky	Commonwealth of Kentucky Telecommunications Relay Service Fund Telecommunications Devices for the Deaf Distribution Fund
January 15	Kentucky	Commonwealth of Kentucky Universal Service Fund
January 15	Maine	Maine Telecommunications Education Access Fund
January 15	Maine	Maine Universal Service Fund
January 15	Nebraska	Nebraska USF & E911 Remittance Worksheet
January 15	Nevada	Nevada Universal Service Fund Carrier Remittance Worksheet
January 15	North Carolina	North Carolina Access Line Report - Rule 17-2(K)
January 15	North Carolina	Questions for Competing Carriers Report
January 15	Oklahoma	State of Oklahoma Universal Service Fund Carrier Remittance Worksheet
January 15	Pennsylvania	Pennsylvania Universal Service Fund, FY2004 Carrier Remittance Monthly Worksheet
January 15	Pennsylvania	Slamming Cramming Complaint Form
January 15	Puerto Rico	Puerto Rico Universal Service Fund July 2004 - December 2004 Carrier Remittance Worksheet
January 15	Rhode Island	E911
January 15	South Carolina	The Public Service Commission of South Carolina SC Dual Party Relay System Invoice
January 15	Vermont	Vermont Universal Service Fund Carrier Remittance Worksheet

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<u>Due Date</u>	<u>Jurisdiction</u>	<u>Report Name</u>	<u>Due Date</u>	<u>Jurisdiction</u>	<u>Report Name</u>
January 15	Virginia	Telecommunications Relay Service Monthly Report	January 30	Puerto Rico	Income Statement of Telecommunications Companies
January 20	Alaska	State of Alaska Universal Service Fund Monthly Carrier Remittance Worksheet	January 30	Puerto Rico	Informe de Revendedores de Servicio (Reseller List)
January 20	Arizona	Arizona Universal Service Fund Carrier Remittance Worksheet	January 30	South Carolina	SCPSC CLEC Quarterly Service Quality Report
January 20	Colorado	CO Telecommunications Relay Service Surcharge	January 30	Tennessee	Wireline Activity Tennessee-CCN Authority
January 20	Idaho	Idaho Telecommunications Service Assistance Plan (ITSAP)	January 30	Vermont	Monthly Disconnect Report
January 20	New Hampshire	Telecommunications Relay Service Remittance	January 30	Vermont	Vermont Service Quality Performance Index Report
January 20	New Mexico	Carrier and Utility Inspection Report	January 30	Virginia	Annual Economic Reporting Requirements for CLECs
January 20	North Carolina	Service Quality Objectives Report	January 30	Virginia	Semi-Annual Economic Reporting Requirements for CLECs
January 20	Pennsylvania	Remittance Form for Monthly Telecommunications Relay Service (TRS) Surcharge Collections	January 30	Virginia	Service Quality Report
January 20	Utah	Utah Universal Service Fund Surcharge Remittal Statement	January 30	Wyoming	Telecommunication Companies Revenue & Assessment Report (Wyoming Universal Service Fund)
January 20	Washington	Telecommunications Relay Service, Washington Telecommunications Assistance Program, and E911	January 31	Illinois	Chief Executive Officer and Designated Agent Form
January 21	New York	TAF Adjustment Input Form	January 31	Michigan	Intrastate Telecommunications Service Provider Registration
January 21	New York	Targeted Accessibility Fund Monthly Online Reporting Form	January 31	Nevada	TDD Surcharge for Assistance to Persons With Impaired Speech or Hearing Report Form
January 21	Oregon	Residential Services Protection Fund Surcharge Remittance Form	January 31	Oregon	Oregon Telephone Assistance Program Reimbursement Form
January 22	Arkansas	Arkansas Intrastate Carrier Common Line Pool Report	UPCOMING FEDERAL FILING DEADLINES		
January 25	Minnesota	Minnesota Annual 911/TAM/TAP Fees Report Form	January 10, 2010	Deadline for electronic filing of Children's TV Reports for preceding four quarters.	
January 25	Texas	Texas Universal Service Fund Worksheet	January 11, 2010	Biennial filing deadline for new commercial broadcast ownership report (Form 323).	
January 30	Alaska	Regulatory Cost Charge Quarterly Return	January 14, 2010	Comments due on net neutrality NPRM .	
January 30	Arkansas	Arkansas Public Service Commission Service Performance Report	January 15, 2010	Deadline for CMRS providers to file hearing aid compatibility compliance report (Form 655).	
January 30	Colorado	Low Income Telephone Assistance Program	<u>MILLER ISAR NEWS</u>		
January 30	Connecticut	Quality of Service, Semi-Annual Report	Miller Isar, Inc. has been engaged to complete a multi-state combined local exchange and interexchange certification project on behalf of a data transport services provider. The Firm has also been asked to prepare opinions on treatment of Federal Universal Service Fund compliance for a new service provider and its affiliate. Andrew Isar represented a provider of video relay services in meetings with legal advisors to FCC Chairman Genachowski and Commissioner Copps.		
January 30	Florida	Alternate Local Exchange Company Regulatory Assessment Fee Return			
January 30	Florida	Alternate Local Exchange Company Regulatory Assessment Fee Return			
January 30	Florida	Interexchange Company Regulatory Assessment Fee Return			
January 30	Georgia	Quarterly Report of Georgia Operations (no formal name)			
January 30	Illinois	Section 757, Exhibit A LEC Quarterly Report to Commission			
January 30	Mississippi	Mississippi Dual Party Fund Statement of Revenues			
January 30	Nebraska	State of Nebraska Dual Party Relay Surcharge Form			

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MILLER ISAR, INC. ONLINE

Miller Isar, Inc.'s web site is designed to provide clients and the public with access to important regulatory information. Please visit us at www.millerisar.com .

For additional information, please contact Andrew Isar at aisar@millerisar.com, call 253.851.6700.

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