

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

In the Matter of)	
)	
July 3, 2012)	WCB/Pricing No. 12-09
Annual Access Tariff Filings)	
)	
)	

ORDER ON RECONSIDERATION

Adopted: August 1, 2012

Released: August 1, 2012

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. On July 2, 2012, the Bureau released the *2012 Suspension Order*,¹ which, *inter alia*, suspended for one day and set for investigation the newly tariffed Access Recovery Charge (ARC) rates contained in the 2012 annual access charge tariff filings by issuing carriers that are charging an ARC.² In the *2012 Suspension Order*, we required that all issuing carriers charging an ARC file a supplement that implemented the practical effects of such Order,³ and we required all issuing carriers charging an ARC to keep an accurate account of all amounts received that are associated with the ARC rates.⁴

2. In this Order, on our own motion, we reconsider our decision to suspend and investigate the ARC rates contained in the annual access tariffs filed by the carriers listed in Appendix A. The specific issues that are the subject of the remaining investigation will be identified in an upcoming Designation Order.

II. DISCUSSION

3. In the *2012 Suspension Order*, we suspended for one day and set for investigation the ARC rates contained in the 2012 annual access charge tariffs for all carriers charging consumers an ARC.⁵ As we discussed, we were concerned that both the complicated nature of the new rules implemented by the *USF/ICC Transformation Order*,⁶ and the complexities associated with new Tariff

¹ *July 3, 2012 Annual Access Tariff Filings*, WCB/Pricing No. 12-09, Order, DA 12-1037 (Wireline Comp. Bur., rel. July 2, 2012) (*2012 Annual Access Tariff Suspension Order* or *2012 Suspension Order*).

² *Id.* at para 10.

³ *Id.* at para 11.

⁴ *Id.* at para 12.

⁵ *Id.* at para 3.

⁶ *Connect America Fund et al*, WC Docket No. 10-90 et al, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *pets. for review pending*, *Direct Commc'ns Cedar Valley, LLC v FCC*, No 11-9581 (10th Cir. Filed Dec. 18, 2011) (and consolidated cases).

Review Plans (TRPs) developed to ensure compliance with the updated rules, had led issuing carriers to file tariffs that were not in compliance with the new rules.⁷ Specifically, we had concerns that issuing carriers did not correctly calculate their Eligible Recovery, which, in part, establishes the baseline from which carriers calculate their ARC charges and potential recovery from the Connect America Fund.⁸ Our initial review of the TRPs and the supporting documents indicated that the vast majority of the 2012 annual access charge filings may have been calculated in a manner inconsistent with our rules.⁹ Therefore, substantial questions of lawfulness existed to justify suspending all of the filed annual access charge tariff filings that included an ARC rate and to begin an investigation of the 2012 annual access charge tariffs.

4. Upon further review and analysis of the annual filings, however, we conclude that certain carriers either correctly calculated their FY 2011 revenues and their Eligible Recovery amounts in their initial tariff filings or corrected such calculations in subsequent amendments to their tariff filings.¹⁰ Accordingly, pursuant to sections 1.108 and 0.291 of the Commission's rules,¹¹ we reconsider on our own motion our decision to suspend and investigate the issuing carriers and associated transmittals listed in Appendix A. We conclude that these carriers demonstrated in their tariff filings (either original or amended) that their Eligible Recovery calculations comply with the new rules. Therefore, we terminate the investigation of the tariffs filed by the issuing carriers and associated transmittals listed in Appendix A.

III. ORDERING CLAUSES

5. Accordingly, IT IS ORDERED that, pursuant to sections 0.91, 0.291 and 1.108 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.108, we reconsider on our own motion our decision in the *2012 Suspension Order* to suspend and investigate the revised tariff rates for the issuing carriers and associated transmittals listed in Appendix A. The tariffs filed by the other carriers listed in the *2012 Suspension Order* remain under investigation.

⁷ *2012 Suspension Order*, para 4.

⁸ *Id.* at para 6.

⁹ *See, e.g.*, Letter from Sharon E. Gillett, Chief, Wireline Competition Bureau to Regina McNeil, Vice President and General Counsel, NECA, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208 (May 30, 2012). Commission staff continues to work with carriers to identify and resolve specific issues, which will be detailed in an upcoming Designation Order.

¹⁰ The Public Service Commission of the District of Columbia (DCPSC) submitted a Petition to Suspend Verizon's tariff arguing that Verizon was improperly charging D.C. customers an ARC. *See Verizon Telephone Companies Tariff Nos. 1, 11, 14, 16, Transmittal No. 1191, Petition for Suspension of the Verizon Access Recovery Charge Tariff Filed by Betty Ann Kane, Chairman of the Public Service Commission of the District of Columbia* (filed July 30, 2012). Petitions to suspend were due on June 25, 2012. Because this petition was not timely filed we dismiss it here. 47 C.F.R. § 1.773. However, the DCPSC has filed a petition requesting reconsideration of section 51.915(e)(3) of the Commission's rules, which remains pending and is the appropriate vehicle for the Commission to address these issues. *See Petition for Reconsideration of the Public Service Commission of the District of Columbia, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208 at 3-5* (filed Dec. 29, 2011).

¹¹ 47 C.F.R. §§ 0.291, 1.108.

6. IT IS FURTHER ORDERED that, pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the investigation and accounting order imposed in WCB/Pricing No. 12-09 IS TERMINATED with respect to the issuing carriers and associated transmittals listed in Appendix A, as indicated in this Order.

FEDERAL COMMUNICATIONS COMMISSION

Julie A. Veach
Chief, Wireline Competition Bureau

APPENDIX A
2012 Access Filings Subject to the Reconsideration

Issued: June 18, 2012**Price Cap ILECs**

ACS	Transmittal No.	19
Ameritech Operating Companies	Transmittal No.	1767
BellSouth Telecommunications	Transmittal No.	33
CenturyLink Operating Companies	Transmittal No.	21
Cincinnati Bell Telephone	Transmittal No.	870
Consolidated Communications Companies	Transmittal No.	38
FairPoint Communications	Transmittal No.	31
Frontier Communications	Transmittal No.	26
Illinois Consolidated	Transmittal No.	155
Nevada Bell Telephone Company	Transmittal No.	232
Pacific Bell Telephone Company	Transmittal No.	466
Qwest Corporation	Transmittal No.	465
Southern New England Telephone Co.	Transmittal No.	1033
Southwestern Bell Telephone Company	Transmittal No.	3345
Verizon Telephone Companies	Transmittal No.	1191
Windstream Communications	Transmittal No.	55

Issued: June 22, 2012

Consolidated Communications Companies	Transmittal No.	39
Illinois Consolidated	Transmittal No.	156

Issued: June 29, 2012

CenturyLink Operating Companies	Transmittal No.	23
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